

GOVERNOR'S COMMITTEE
ON
GOVERNMENT SPENDING REFORM

PROJECT OVERVIEW

JULY 1991 /

GOVERNMENT SPENDING REFORM PROJECT OVERVIEW

I. INTRODUCTION

Government in Iowa is at a crossroad. Due to lagging revenue collections and pressures to increase spending for entitlements programs, the budget for the State of Iowa was adjusted downward three times during the last fiscal year. The budget for the current fiscal year has been reduced by 3.25%. Reaching the goal of fully implementing generally accepted accounting principles (GAAP) by 1993 is uncertain, and providing resources for functions designed to create long term economic growth and stability has become increasingly difficult. Put simply, the level of spending by the State of Iowa has exceeded its revenues.

While these conditions alone justify immediate attention, they are but symptoms of changes which all levels of government in Iowa must face. The population of the State is aging and has significantly shifted to urban and suburban communities. Economic forces and new technologies have profoundly changed the environment in which public services are delivered. Meanwhile, the structure and delivery of public services have in many ways remained unchanged. During the past several decades state government has assumed greater financial responsibility for local government services and services previously financed by the federal government. The shift in public financing without commensurate changes in the delivery of services may be an important contributing factor to the State's fiscal dilemma.

The Committee on Government Spending Reform has been established to address these issues. The charge to the Committee extends beyond the short term need to reduce the cost of government services and to bring spending in line with revenues. The Committee must also take this opportunity to address fundamental questions about the role, structure, and financing of public services. What services should government provide? What government structure should provide those services? How can the productivity and efficiency of government services be increased? How should those services be financed?

This is a formidable task. The inertia of tradition and special interests, the web of federal regulations, and the demand for more government services coupled with a parallel resistance to higher taxes will challenge the Committee, state policy makers and the citizens of Iowa. But the crossroad demands that a choice be made. The State of Iowa can either follow the present path of continuous fiscal problems with the existing delivery system, or grasp the opportunity to create a new vision for the role of government in the lives of its citizens.

II. PROJECT DESCRIPTION

The Government Spending Reform project will provide a series of both short- and long-term results. The immediate short-term results of this project will provide recommendations that lead to proposed policy, programmatic and budgetary gubernatorial initiatives for FY 92 and FY 93.

Seven "areas of opportunity" have been identified, around which both short-term and long-term strategies will be developed. These seven opportunity areas, with examples of the kinds of questions that might be addressed, are outlined below.

• Public Financing

- How are public monies raised and expended at all levels of government?
- Should state formulas be redesigned?
- How can incentives be put in place that will reward efficient and effective use of public monies at all levels of government?
- Is our present system of tax exemptions consistent with future goals of the state?
- Are present entitlements consistent with Iowans' expectations?
- What should public policy be in relation to standing unlimited appropriations?

• Statewide Service Delivery

- What should the standard of access be for government services?
- What are the opportunities for achieving better economies of scale through joint planning and venturing between state agencies and local governments?
- Are service delivery structures aligned with today's demographics?
- What is the future role of state institutions?

• Executive Branch Review

- Are there additional executive restructuring opportunities?
- What process could be put in place that would assure continuous quality improvement in state government?
- What process could be put in place to periodically assess each government program to make sure it is operating in a cost effective manner and achieving its goals?

• Privatization

- What cost effective opportunities exist for state and local governments to contract out certain functions or tasks?

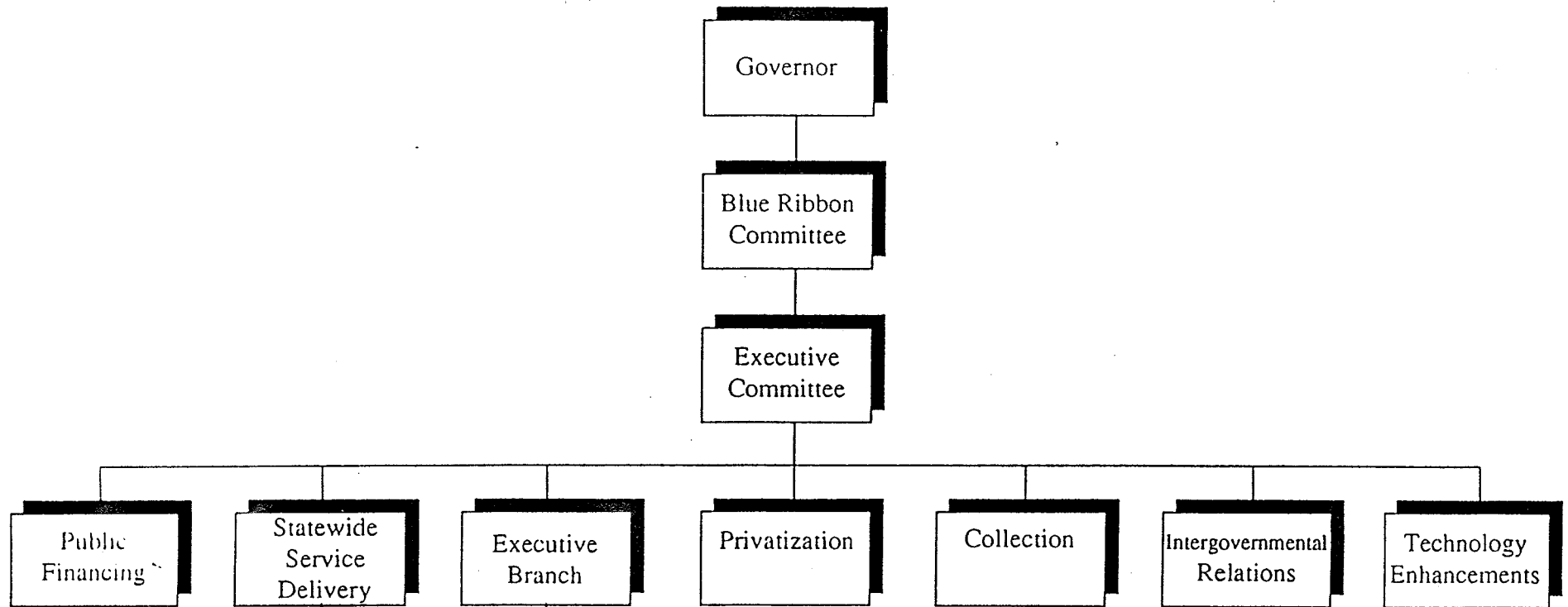
- o Collections
 - What opportunity/strategies exist to enhance government ability to collect monies that are owed?
- o Intergovernmental Relations
 - What are the appropriate roles and responsibilities for state and local government?
 - What opportunities exist for the State of Iowa to enhance its relationships with the federal government in order to increase federal funds flowing to Iowa?
- o Technology Enhancement
 - What opportunities exist for enhanced use of technology to advance the efficiency of Iowa's government for the future?

III. PROJECT ORGANIZATION AND TIMELINE

- o Organization chart attached.
- o Task Forces to analyze issues and develop recommendations in each opportunity area.
- o Blue Ribbon Committee to provide overall direction to task forces, and select final recommendations.
- o Executive Committee (subset of Blue Ribbon Committee) to facilitate process.
- o Recommendations from Blue Ribbon Committee submitted to Governor in early December.

Government Spending Reform Project

Proposed Structure



Sept. 4, 1991

Kick-Off Retreat

GOVERNOR'S COMMITTEE ON
GOVERNMENT SPENDING REFORM



Des Moines, Iowa
September 17, 1991

AGENDATIMING

- | | | |
|------|--|---------------|
| I. | Introduction | 9:30 - 9:45 |
| II. | Setting Objectives | 9:45 - 10:45 |
| III. | Defining Roles, Responsibilities, And Deliverables | 10:45 - 11:45 |
| IV. | Describing The Process | 11:45 - 12:45 |
| V. | Getting Started | 12:45 - 1:00 |

I. INTRODUCTION

THE CORE TEAM IS HERE TODAY TO "FORMALLY" KICK OFF THE PROCESS

- There is already considerable momentum
 - Committees/Task Forces formed
 - Meetings underway
 - Considerable number of issues generated
- Still, today is the first time that all of the key players have been together at once
- Today gives us a chance to make sure we are pulling all of the diverse efforts into a cohesive whole

THERE ARE SEVERAL OBJECTIVES AND AN AMBITIOUS AGENDA FOR THIS RETREAT

- Introduce all of the the participants
- Agree on the "questions"
- Frame the dimensions and magnitude of the challenge
- Describe a suggested process to be used in getting to the answer
 - Steps
 - Timing
 - Logistics/procedures
- Define participants'
 - Roles
 - Responsibilities
 - Deliverables
- Continue the individual task force progress
- Describe immediate next steps

WE WOULD LIKE TO ESTABLISH A FEW GROUND RULES FOR TODAY

- This is not a presentation -- we are here to listen and facilitate more than to talk
- Conversation should be as open as possible ...
- ... and kept inside this room for now
- "All ideas are created equal"

WHO IS BOOZ•ALLEN?

- 3100 professionals
- Serving clients in 75 countries
- 70 of 100 largest Worldwide, 400 of 500 largest U.S. corporations
- 85% of work from clients we have worked with before
- Our work is balanced between the private sector and government
 - 50% of business with Fortune 200 over the past 75 years
 - 50% of business with government agencies over the last 50 years
- To support this balance, the firm is divided between commercial and technology sectors
 - Commercial Sector -- concentrates on our work for the Fortune 500 -- is organized into industry and functional practices
 - .. 15 industry practices -- automotive, aerospace, etc.
 - .. 3 functional practices -- strategy, operations, systems
 - .. All practices operate globally
 - Our government work is largely handled by the Technology Sector
 - .. Has developed a strong knowledge base of government specific programs, organizational structures and cultures
 - .. Organized principally by program area -- e.g., space environment, transportation
- Plus additional subsidiaries to provide focused capabilities

WE APPRECIATE YOUR INPUT THIS PAST THURSDAY AND MONDAY

- Your comments are baked into the contents of this retreat
- These conversations gave us a sense of the issues which lie ahead
- Throughout this endeavor, this kind of open participation and communication will be essential to success

II. SETTING OBJECTIVES

FIRST, THIS TEAM NEEDS TO AGREE ON THE PROBLEM

- Setting objectives and defining process requires a thorough understanding of the problem(s) we are trying to resolve
- In the next few pages, we will discuss the broader issues from several vantage points
 - Project overview -- the challenge for this group
 - Recent studies/projections
 - Brackets for the size of the problem
- At the end of this section, this team will lay out points of agreement on objectives and themes

THE PROJECT OVERVIEW STATES THE PROBLEM SIMPLY: "THE LEVEL OF SPENDING BY THE STATE OF IOWA HAS EXCEEDED ITS REVENUES"

- The immediate symptom: Three downward budget adjustments in the last fiscal year and a 3.25% reduction in the current year
- Also, there is a stated concern that resources earmarked for long-term investment are at risk
- The overview also notes some trends:
 - Aging of the population
 - Shift from rural to urban/suburban
 - Economic trends and new technologies
 - Shift of the service "burden" to state government
- The bottom line: The way the State of Iowa delivers services has not changed in response to these factors -- and it must change to relieve budget pressures

OTHER STUDIES HAVE SUGGESTED THE ECONOMIC FACTORS CAUSING THE PERSISTENT BUDGET PRESSURE

- A number of studies have recently been completed on Iowa's economic present and future, e.g.:
 - Iowa Economic Trends Report (Dept. of Economic Development)
 - Iowa's Future (SRI International)
 - Futures Agenda (Dept. of Management)
 - Iowa's Technology and Economic Development Plans: A Ten-Year Historic Perspective (Wallace Technology Transfer Foundation)
 - Etc.
- It is useful to review (briefly) some of the findings of these efforts to understand the likely impact on the Governor's Committee

**IOWA'S DEPENDENCE ON AGRICULTURE, COUPLED WITH UNCONTROLLABLE EVENTS
CRITICAL TO AGRICULTURAL PROSPERITY, HAS RESULTED IN A VOLATILE ECONOMY**

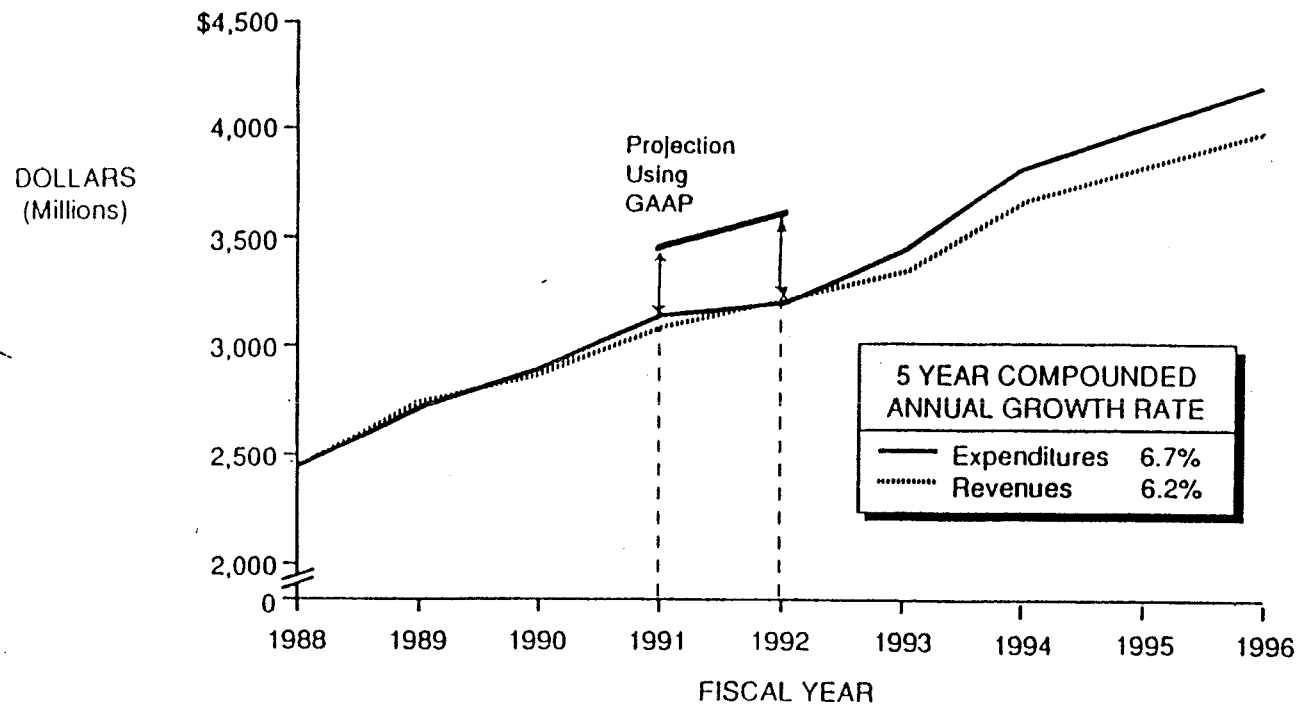
- Prosperity in the 1970s
 - Inflation pushes up farmland values
 - A weak dollar drives booming farm exports
 - Result: General sense of prosperity while the rest of the country suffers stagnation
- Decline in the early 1980s
 - 1979 Soviet grain embargo curtails exports
 - Tightening monetary policy curtails exports further
 - Result: Massive loss in farmland value, thousands of layoffs in manufacturing, many young people leave the state
- Gradual recovery by the late 1980s
 - Low inflation and interest rates stimulate investment
 - Weakened dollar promotes exports
 - Results: Recovery of farmland value, reduction of unemployment, creation of new jobs (particularly in trade and service sectors), reduction in people moving out of Iowa

THERE ARE THREE "CONSENSUS" THEMES

- Economic diversification is the key to breaking the boom-bust cycle
 - A significant proportion of Iowa's economy is still based on farming and farm related industries
 - Perception that entrepreneurial risk-taking is lacking in Iowan culture
 - Capital constraints may hinder development
 - Turning research into commercially exploitable technologies needs to be further strengthened
- A highly educated work force will be necessary to compete in an increasingly global economy
 - Not competing with midwest, or even other states, but other countries
 - Technologies to spark a "rural renaissance" require advanced skills
 - Top flight workforce required to attract additional operations
- Iowa's top quality of life must be guarded against erosion by economic changes
 - Preserve a sense of community
 - Stem the tide of alcohol and drug abuse
 - Maintain some of the cleanest air, water and soil in the nation
 - Service infrastructure to support economic growth
 - Serve large and growing cohort of elders adequately without retarding development

BUT IN THE NEAR TERM, IOWA FACES A STRUCTURAL DEFICIT ESTIMATED TO BE APPROXIMATELY \$120- 150 MILLION, AND WHICH IS LARGER STILL UNDER GAAP

IOWA STATE STRUCTURAL DEFICIT



Note: Revenues = General Fund and Lottery revenues less refunds
 Expenditures = General Fund and Lottery expenditures
 Source: Iowa Department of Management

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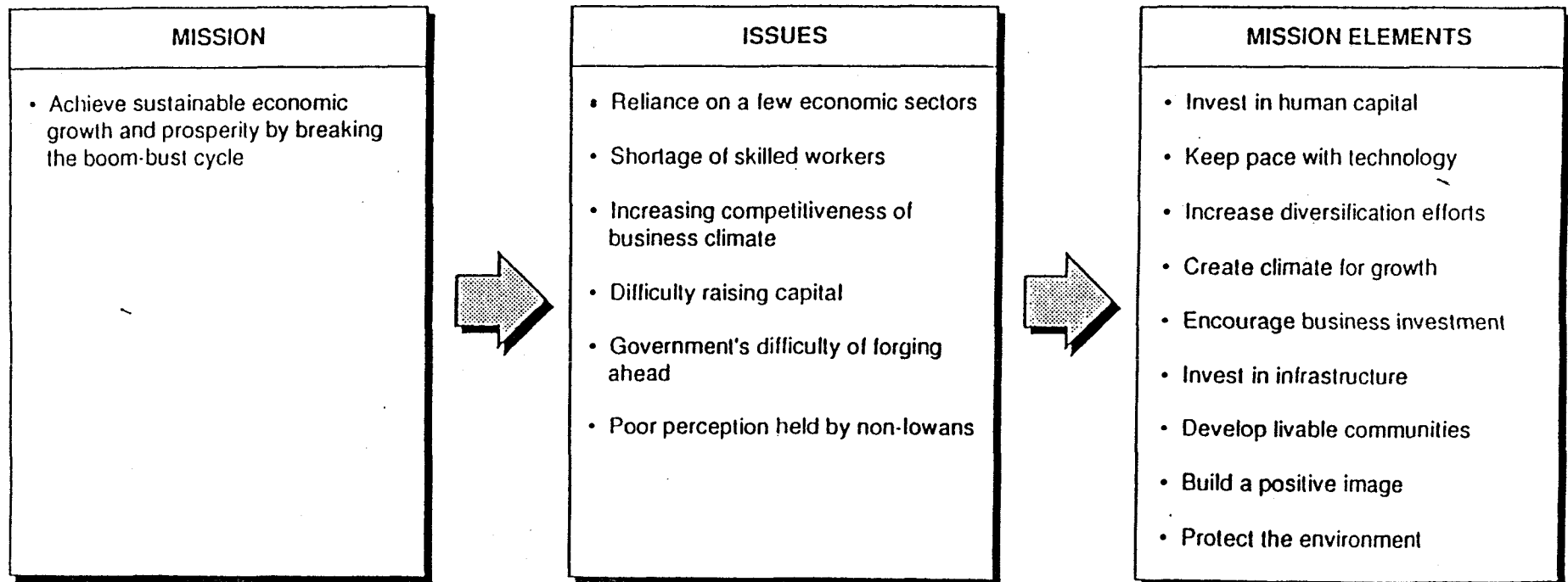
TO USE THE BUSINESS ANALOGY, WE WOULD SUGGEST THAT THE STATE OF IOWA NEEDS TO FUNDAMENTALLY RE-THINK ITS MISSION AND STRATEGY

- The identified trends are not going to go away, and unknown factors will complicate the picture
- While implementation of GAAP accounting is an important effort, it should not obscure the fundamentals -- there is a persistent, structural deficit that must be addressed
- Incremental, stop-gap measures will not position the State for long-term growth and success
- A new definition of the state's mission is required, as well as a strategy for carrying out that mission

THERE IS AN IMPORTANT DISTINCTION BETWEEN THIS PROBLEM FORMULATION AND OTHER APPROACHES

- Definition of a mission and strategy starts from a clean sheet of paper
 - Challenges basic assumptions
 - Recasts the status quo as just another option
 - Is based on identifying requirements and formulating the most effective, efficient ways to meet those requirements
- Other, incremental approaches tend to be issue-driven
 - Identifies problems with the way we do things today
 - Sets out to resolve those specific problems
 - Accepts the status quo, with improvements

SYNTHESIZING THE INFORMATION FROM THESE EARLIER STUDIES, WE BEGIN TO GET AN OUTLINE OF A LONG-TERM MISSION AND ITS ELEMENTS



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THE "CLEAN SHEET OF PAPER" APPROACH MUST BE TEMPERED BY TIMING REALITIES

- In order to meet budget deadlines and begin to get programs in motion, this committee must report by mid-December
- We can all agree that we cannot redesign state government in 12 weeks
- We need to agree on a sense of what can be accomplished in this timeframe by each task force
 - Understanding of fundamentals, including issues
 - Understanding of current situation
 - Preliminary vision/mission for how functions could work differently
 - Quantifiable, near-term improvement opportunities
 - Implementation plans
 - Long-term opportunities--quantifiable where possible--with issues to resolve
 - Work remaining to be accomplished
- Full implementation of a fundamental new vision typically takes 3 to 5 years

III. DEFINING ROLES, RESPONSIBILITIES, AND DELIVERABLES

LET'S AGREE ON OUR OVERALL OBJECTIVES

Objectives

Overall: Reduce the cost of government services and bring spending in line with revenues

- Consistent with Iowa Futures agenda
- Minimum targets
 - \$150 million for 1992
 - \$300 million for 1993
- Frame options to reduce within scenarios of 10%/20%/40%

Sample Levers

Step Function Changes

- Elimination of services
- Elimination of funding for certain programs or segments
- Streamlined approaches to perform needed services at lower cost e.g.
 - Consolidation
 - new/enhanced technology
 - process redesign
 - outsourcing

Continuous Improvement

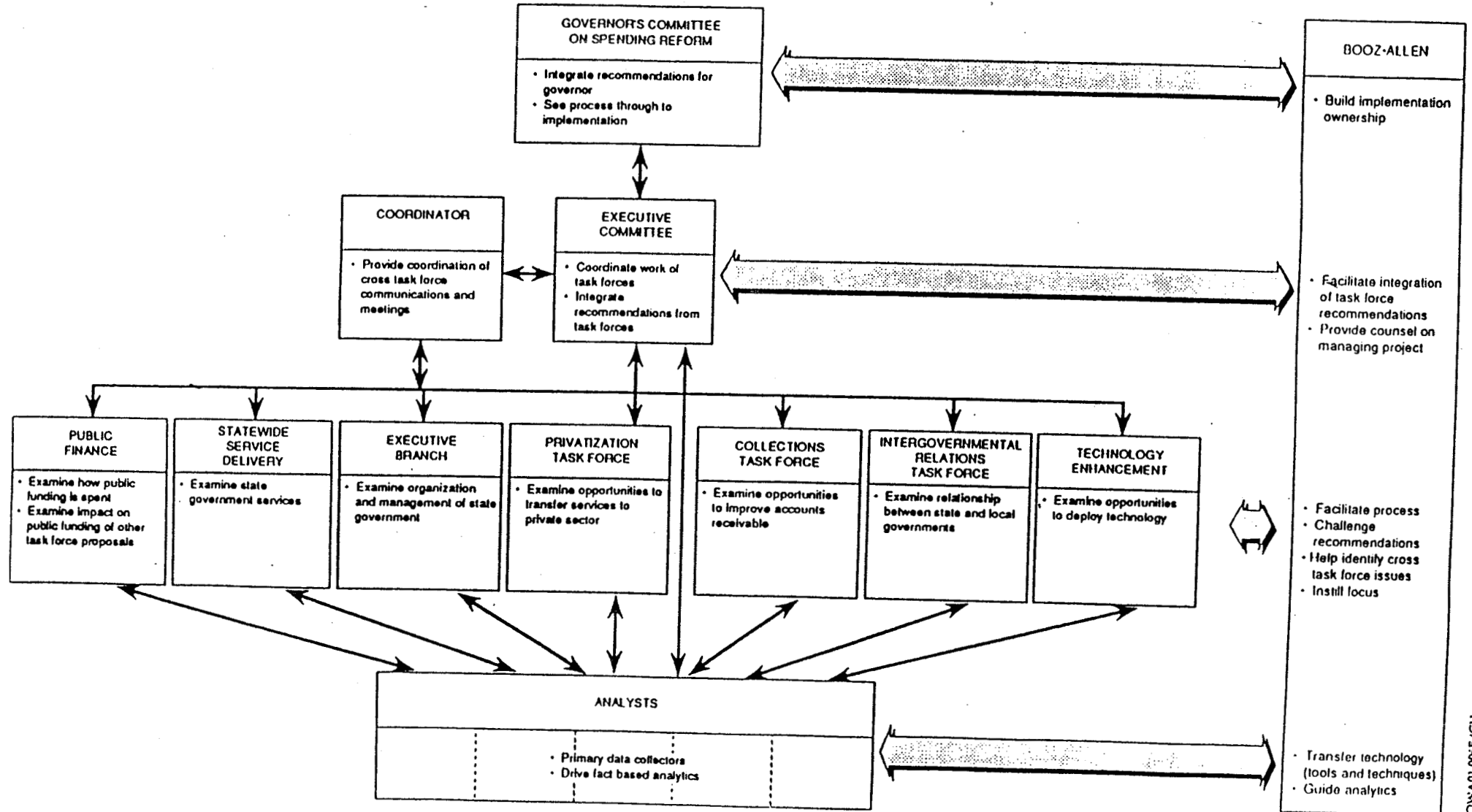
- Establish the right performance measures and accountability
- Develop/Enhance management reporting systems
- Align incentives to ensure effective allocation of resources
- Improve training

AN AGGRESSIVE APPROACH IS REQUIRED TO MEET THESE OBJECTIVES

- Approach should focus on framing opportunities and related issues vs. why not to take action
- In general, task forces should develop sets of opportunities and recommendations under three alternative scenarios: 10%, 20%, 40% reductions
- Purpose of 10%/20%/40% is to ensure that task forces break through conventional paradigm and incremental thinking to think about fundamental changes
- The task force's work and the Executive Committee's perspective will help translate the 10%/20%/40% scenarios to the right level via an appropriate set of recommendations

IN THIS SECTION, WE WILL DISCUSS THE ROLES OF THE PARTICIPANTS

ROLES AND RELATIONSHIPS



THE GOVERNOR'S COMMITTEE WILL LEAD THE INTEGRATION EFFORT AND MAKE RECOMMENDATIONS TO THE GOVERNOR

- A name change from Blue Ribbon Committee to the Governor's Committee on Government Spending Reform is recommended to reflect a more active role
- This Committee is ultimately responsible for
 - Challenging/approving all recommendations
 - Integrating individual task force recommendations into a single report
 - Developing a vision of how government services could be provided differently
 - Suggesting an implementation approach and further work to be completed
 - Seeing the process through to implementation

THE EXECUTIVE COMMITTEE WILL BE RESPONSIBLE FOR DAY-TO-DAY MANAGEMENT OF THE PROCESS

- The Executive Committee will work directly with the task forces
 - Monitoring status
 - Reviewing preliminary findings
 - Resolving issues
- This includes getting involved early on if any problems arise with the progress being made by any task forces
- Also, the Executive Committee controls the full-time analytical resources and will align them with task forces as required

THE TASK FORCES ARE RESPONSIBLE FOR GENERATING RECOMMENDATIONS AND MUST OPERATE AT TWO LEVELS

- The task forces are the "engine" of this effort
- Each task force will be developing recommendations in its areas of responsibility
- Importantly, the task forces will develop two types of recommendations
 - Near-term, actionable items for implementation as part of next year's budget
 - Elements of a longer-term vision to be refined going forward
- Also, the 10%/20%/40% rule applies
- Task forces should help involve Department heads in the process
 - They will be an important source of understanding and ideas
 - Their participation is vital to implementation

BOOZ•ALLEN'S ROLE IS TO FACILITATE THE WORK OF ALL COMMITTEES AND TASK FORCES

- Project Management -- Ensuring timely achievement of objectives and warning the Executive Committee of possible problems
- Issue Management -- Suggesting restructuring opportunities, making sure that no issues "disappear" before resolution
- Focus -- Keeping groups focused on the highest priority issues
- Technology Transfer -- Helping the state apply "High Performance Organization" (HPO) concepts
- Objectivity -- Challenging recommendations on a fact basis
- Facilitation -- Maximizing the contribution of all team members
- Integration -- Reviewing the various recommendations for their fit into a cohesive whole

THE PROJECT DELIVERABLES SHOULD CAPTURE ALL IDEAS AND ISSUES WHILE PRESENTING A GAMEPLAN TO PROCEED WITH SIGNIFICANT IMPROVEMENT OPPORTUNITIES

<u>Project Deliverables</u>
<ul style="list-style-type: none"> • Governor's Committee Report <ul style="list-style-type: none"> – Options for 10%/20%/40% improvements – Integrated recommendations (subset of 10%/20%/40%) – Near-term implementation steps and project benefits – Elements of a preliminary vision – Next steps • Task Force Reports <ul style="list-style-type: none"> – Issues considered – Near-term recommendations and projected benefits – Next steps • Executive Summary Presentations for Various Constituencies • Background Data Used/Generated

MORE TO COME BY NEXT SUBCOMMITTEE MEETING

IV. DESCRIBING THE PROCESS

WE BELIEVE THERE ARE THREE IMPORTANT ISSUES TO DISCUSS THAT WILL GUIDE THE PROCESS

- Scope -- What exactly are my task force's areas of responsibility?
- Targets -- What magnitude of performance improvement?
- Timing -- Is the focus near-term or long-term?

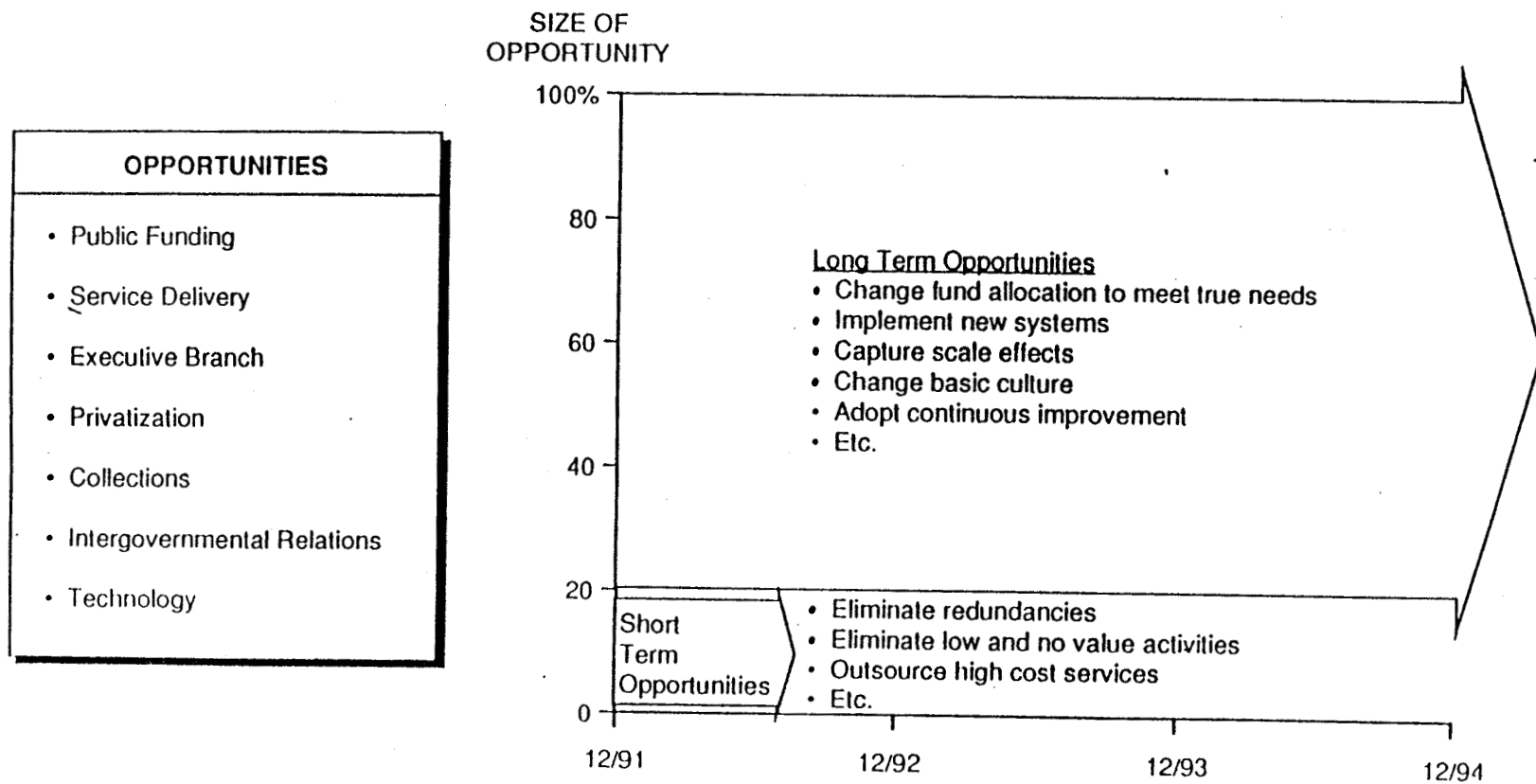
WE REALIZE THERE IS SOME CONFUSION OVER SCOPE

- Our discussions with you over the past few days have highlighted the confusion over task force scope
- Rather than resolve them all today, we would like to suggest a process that will clear up the issue in the next 7-10 days
 - Each task force should take a cut at defining its own scope based on its understanding and perceived priorities and proceed
 - We will take your input with the budget and suggest a more refined scope, by task force, by next week
 - We are scheduling a meeting of chairs/co-chairs for next week to discuss task force status (substance, not process)
 - At that meeting, we will resolve scope issues and begin to quantify the scope of each task force
- Meanwhile, the issue generation and resolution process should continue

TARGETS SHOULD BE CONSISTENT AND AGGRESSIVE

- Focusing on what we think can be done easily will lead to incremental, safe solutions
- We suggest turning the process around -- focus on 10%, 20% and 40% improvements and describe what it would take to achieve those step-level changes -- breakthrough thinking will be required
- Once that is done, it is fair to say, "Here is what it takes to get 40%, but we do not recommend it"
- It is no fair to say, "We can't get to 40%"

OPPORTUNITIES REALIZED ON TWO LEVELS



TIMING NEEDS TO OPERATE ON TWO LEVELS

- In order to meet budget deadlines and begin to get programs in motion, this committee must report by mid-December
- We all agree that we cannot redesign state government in 12 weeks
- Each task force should put forth two types of recommendations
 - Near-term, action-oriented, implementable recommendations during 1992
 - Elements of a long-term vision of how government could operate differently

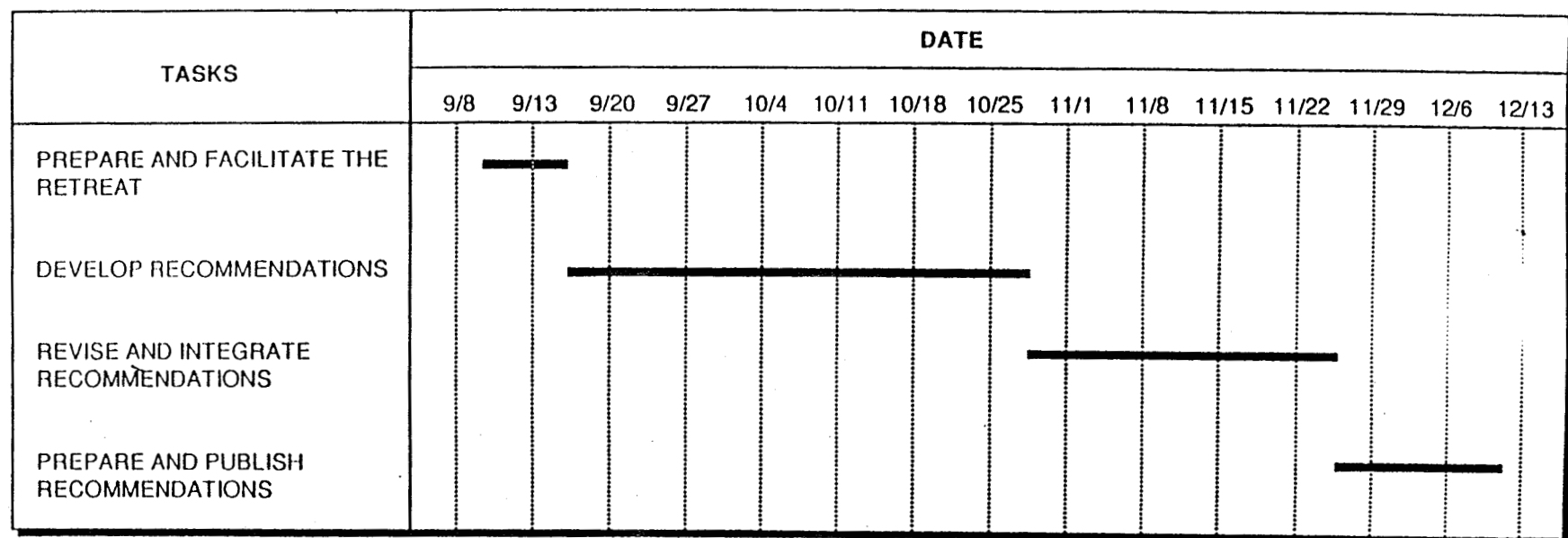
THIS IS A 2 TO 3 YEAR PROCESS THAT YOU ARE JUST BEGINNING WITH A 12-WEEK CHECKPOINT

THE SEVEN TASK FORCES HAVE BEEN LAUNCHED AND ARE ALREADY AT DIFFERENT POINTS IN THE PROCESS

- At this point, we would like to give each task force an opportunity to talk about their status
- Possible topics:
 - Scope
 - Work to date
 - Ideas to date: short, medium, and long-term
 - Potential analyses
 - Next steps

THERE ARE FOUR MAJOR STEPS IN THE PROCESS

WORKPLAN



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▲
Retreat
9/17

▲
Shift Emphasis From
Task Forces To
Executive Committee
10/25

▲
Final Report
12/11

**A SUBSTANTIAL AMOUNT OF INDIVIDUAL TASK FORCE WORK MUST BE COMPLETED BY
EARLY NOVEMBER**

- The Booz•Allen team will serve as resources for all task forces
 - Sharing tools and techniques
 - Helping to focus in on key issues
 - Helping to develop hypotheses and analyses to build the fact base for proving or reviewing hypotheses
 - Facilitating task force output/reports
- Full time analytical support has been added to each task force because of the amount of work to be done. These analysts will report to the Executive Committee

WE WILL OFFER ANALYSTS AND COORDINATORS A TRAINING AND COORDINATION SESSION ON FRIDAY

- We envision a session for
 - Task Force coordinators
 - Executive Committee analysts
 - Booz•Allen team members
- The intent of the session is "technology transfer"
 - Providing the task forces with analytic tools and techniques to use in building a fact base to support conclusions
 - Discussing the process of issue/hypothesis/analytics/conclusion/recommendation
- We will also use this team to coordinate task force efforts
 - Status updates
 - Interim and final report formats
 - Schedules and "mile posts"
 - Matching team resources to needs
 - Quantifying scope/resolving scope issues

**AFTER THE TASK FORCES HAVE COMPLETED THEIR WORK, THE EXECUTIVE COMMITTEE --
WITH SUPPORT FROM THE TASK FORCES -- WILL FOCUS ON DEVELOPING AN INTEGRATED
SET OF RECOMMENDATIONS**

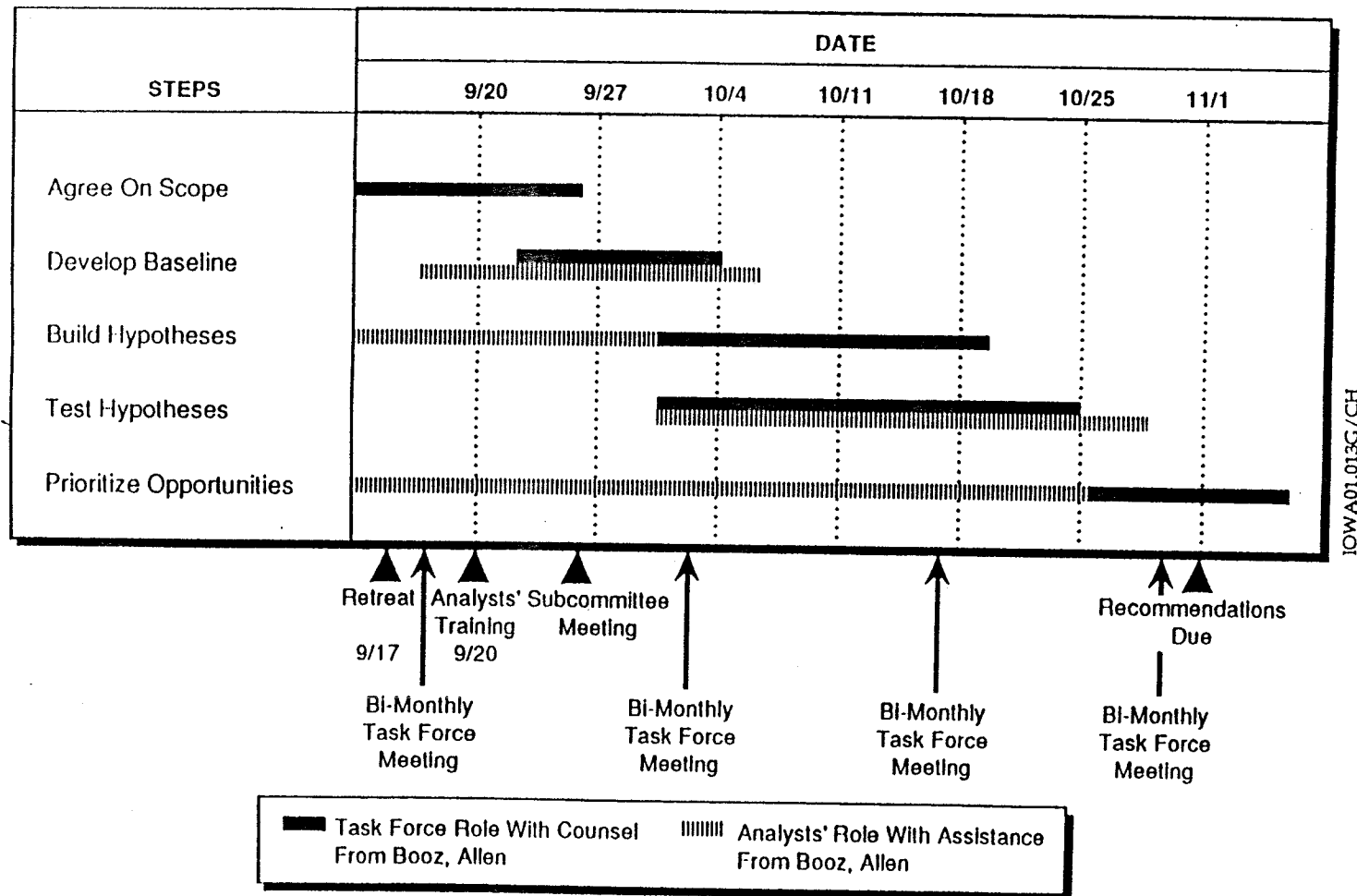
- Preliminary recommendations must be tested for
 - Support (fact-based)
 - "Implementability"
 - Benefits/costs
 - The degree to which they work together or contradict each other
- The coordinators and Executive Committee analysts will be responsible for this step, assisted by a subset of the Booz•Allen team
- We envision four weeks for this step, including some task force time for revising and finalizing their work

ELEMENTS TO CAPTURE IN MODEL TASK FORCE OPERATIONS

STEP	SOME SUGGESTED ACTIVITIES	SOME SUGGESTED TECHNIQUES	DELIVERABLES
AGREE ON SCOPE	<ul style="list-style-type: none"> What programs, projects, services, organizations, etc., should be included? Have we included as many as possible? Have we prematurely excluded anything? 	<ul style="list-style-type: none"> Brainstorming Soliciting input from knowledgeable experts, department directors, program administrators, etc. 	<ul style="list-style-type: none"> A list of items to be considered by the task force for further review Identification of areas to coordinate closely with other task forces
DEVELOP BASELINE	<ul style="list-style-type: none"> What kinds of services, funding, costs, positions etc., involved? How is service provided? Funds allocated? Who receives services, funds? 	<ul style="list-style-type: none"> Interviews with department and agency personnel Interviews with recipients of services, funds Analyses to bracket size of programs, projects, cost of delivery 	<ul style="list-style-type: none"> A profile of each of the identified programs, projects departments etc., included in scope
BUILD HYPOTHESES	<ul style="list-style-type: none"> What new way of delivering services or allocating funds etc., might save money? Have we stretched our thinking, gone beyond incremental improvements? 	<ul style="list-style-type: none"> Brainstorm Interviews with other knowledgeable sources Focus groups from organizations 	<ul style="list-style-type: none"> A prioritized collection of hypotheses to investigate
TEST HYPOTHESES	<ul style="list-style-type: none"> What changes? What is the impact on cost, service, funds, positions? Is this consistent with state vision? What is the initial investment required? 	<ul style="list-style-type: none"> Fact based analytics Assessment of qualitative facts 	<ul style="list-style-type: none"> A fact based analysis of each hypothesis
PRIORITIZE OPPORTUNITIES	<ul style="list-style-type: none"> Which opportunities are the most attractive? Which can be implemented in the near term, medium term, long term? How implementable are they? What is the investment effort required to implement each opportunity? What issues remain that could inhibit implementation 	<ul style="list-style-type: none"> Eliminate high risk, low return opportunities Force rank by size of opportunity 	<ul style="list-style-type: none"> Framed opportunities for consideration by the executive committee--together with the full 10%, 20%, 40% list

WITHIN THESE CONSTRAINTS, WE BELIEVE AN ILLUSTRATION OF TASK FORCE ACTIVITIES AND SCHEDULE COULD BE:

POSSIBLE WORKPLAN FOR MODEL TASK FORCE



THE LAST STEP IS THE PREPARATION OF THE FINAL REPORT TO THE GOVERNOR

- Two weeks have been set aside to prepare and publish the final report
- This work will be the responsibility of the Task Forces with integration guidance by the Executive Committee, aided by their analysts and the Booz•Allen leadership

THE NATURE OF THE APPROACH IS AS IMPORTANT AS THE STEPS

- There can be no "sacred cows" -- everything must be fair game, at least for starters
- This implies a free flow of ideas -- consider ideas objectively first, then benefits and costs; then worry about implementation issues
- We want to instill a fact-based, hypothesis-driven orientation
- To the extent possible, we want to involve as many people in the process as possible
 - Tap the best ideas
 - Communicate the importance
 - Begin to build buy-in
 - Reduces the number of surprises
- The task forces must be **working** groups, focused on fact-based results, instead of review panels discussing opinions

WE SHOULD ALL BE RAISING RED FLAGS EARLY IF WE SEE THE APPROACH BREAKING DOWN

RED FLAGS

- Unwillingness to present ideas
- Incremental thinking
- Recommendations based solely on opinion or emotion
- Lack of full-time analytic support
- Focus on process rather than results
- Getting behind schedule
- Chasing small improvements (80/20 rule applies)
- Jumping into continuous improvements before addressing structural changes
- Narrowing scope prematurely
- Organizing into too narrowly defined subgroups
- Waiting for refinements of final scope before proceeding

... AND DON'T WAIT FOR OTHERS TO DECIDE ISSUES (OR FINALIZE SCOPE!) BEFORE MOVING FORWARD

FINALLY, THIS IS THE FIRST STEP IN A LONG JOURNEY

- Rome was not built in a day, or even 12 weeks
- Realistically, we hope to accomplish
 - Tiered recommendations: Now, medium-term, long-term
 - A preliminary vision of how key functions could be fundamentally different in the long run
 - An implementation plan
 - A thorough understanding of the work remaining to be completed
 - A sense of the benefits that could be captured

SEPTEMBER 1991

SUNDAY

MONDAY

TUESDAY

WEDNESDAY

THURSDAY

FRIDAY

SATURDAY

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• Retreat

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• Analyst
Training
• Public Finance

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• Privatization
• Exec Branch Rev
• Collections

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• Work Session
• All-task force
Chairs, Co Chair
& Staff

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• Service Delivery

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OCTOBER 1991

SUNDAY

MONDAY

TUESDAY

WEDNESDAY

THURSDAY

FRIDAY

SATURDAY

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• Technology

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• Governor's
Committee

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NOVEMBER 1991

SUNDAY

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V. GETTING STARTED

IMPLEMENTATION BEGINS TODAY ...

- Good ideas that are never implemented represent failure for this committee
- At all points in the process, we must challenge ourselves to drive towards actions that will result in specific, quantifiable benefits
- At the same time, we must realize that these actions are the first step on a larger road to continuous improvement
- And, we need a preliminary vision of the destination

... BUT DOES NOT END FOR SOME TIME

OUR IMMEDIATE NEXT STEPS ARE TO COORDINATE THE TASK FORCE ACTIVITIES AND DRIVE TOWARD PRELIMINARY RECOMMENDATIONS

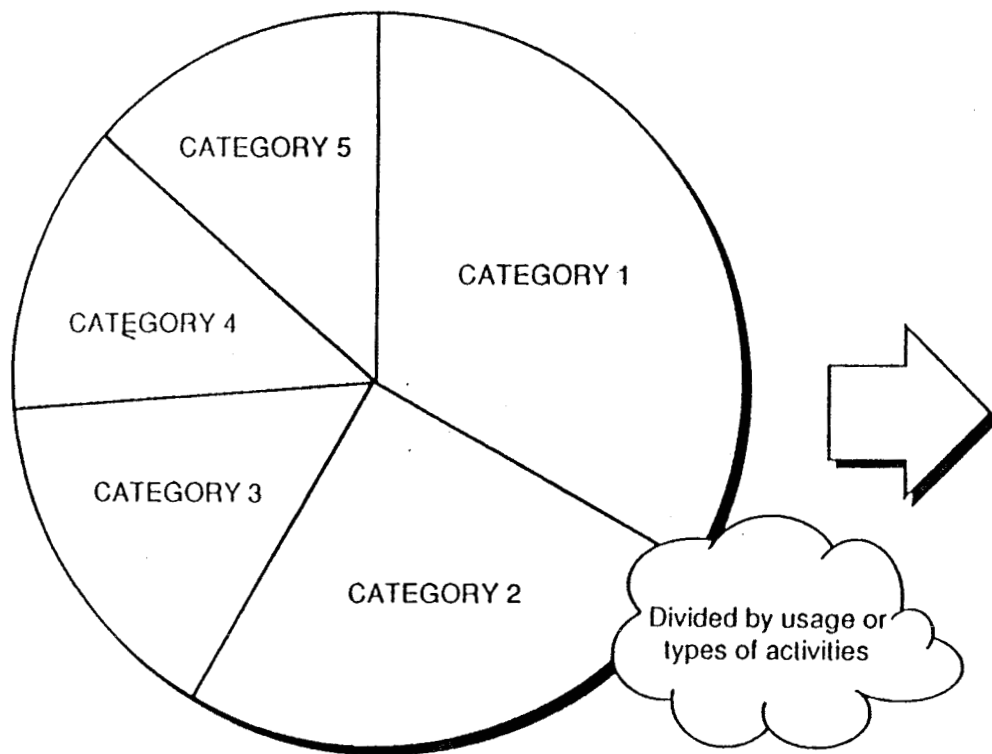
- Training/logistics session with coordinators and analysts
- Accelerate task force efforts
- Resolve task force scope issues
- Complete one-on-one sessions
 - Committee members
 - Task Force chairs
 - Other constituencies
- Develop master workplan

APPENDIX

WE HAVE INCLUDED SOME "TOOLS" TO HELP PUSH THE PROCESS FASTER

- Framing the scope for a task force
- Summarizing meeting content
- Identifying and understanding interfaces with other task forces
- Developing hypotheses for test

FRAMING THE SCOPE FOR A TASK FORCE



TOTAL DOLLARS UNDER CONSIDERATION

MAJOR ITEMS UNDER CONSIDERATION	
<u>CATEGORY 1</u>	<u>SIZE OF ITEM</u>
<u>CATEGORY 2</u>	
<u>CATEGORY 3</u>	
<u>CATEGORY 4</u>	
<u>CATEGORY 5</u>	

MEETING SUMMARY FORMAT

Page 3

Page 2

Page 1

**SERVICE DELIVERY TASK FORCE
MEETING SUMMARY**

PURPOSE:

ATTENDANCE:

ISSUES ADDRESSED

PROGRESS MADE

EMERGING RESULTS

OUTLINE OF WORK TO DO

PURPOSE

- Summarize important information of task force meeting
- Focus on progress since last meeting, identifying issues, etc.
- Not a transcription of events

CONTACTS

- Needn't be long, a couple of pages
- Purpose of the meeting – stage in process, step in stage
- Attendance
- Summary of issues discussed, points made
- Detailed description of progress made e.g. consensus reached on issues, decisions made etc.
- Indepth report of emerging results, objectives met
- Outline of work to do to meet next milestone, e.g. analyses, data collection, interviews

RESULTS FOCUSED

- What you've accomplished
- Where you are
- How far you've come
- How far to go

DEVELOPING HYPOTHESES FOR TEST

HYPOTHESES	TIMING (Short, Medium, Long)	ROUGH SIZING OF OPPORTUNITY	DATA REQUIRED	RELEVANT ANALYSES	RESPONSIBILITY

INTERFACES WITH OTHER TASK FORCES

ITEM	DOLLAR SIZE	TASK FORCE LINK	NATURE OF LINK/ISSUE	RESPONSIBILITY FOR COORDINATION

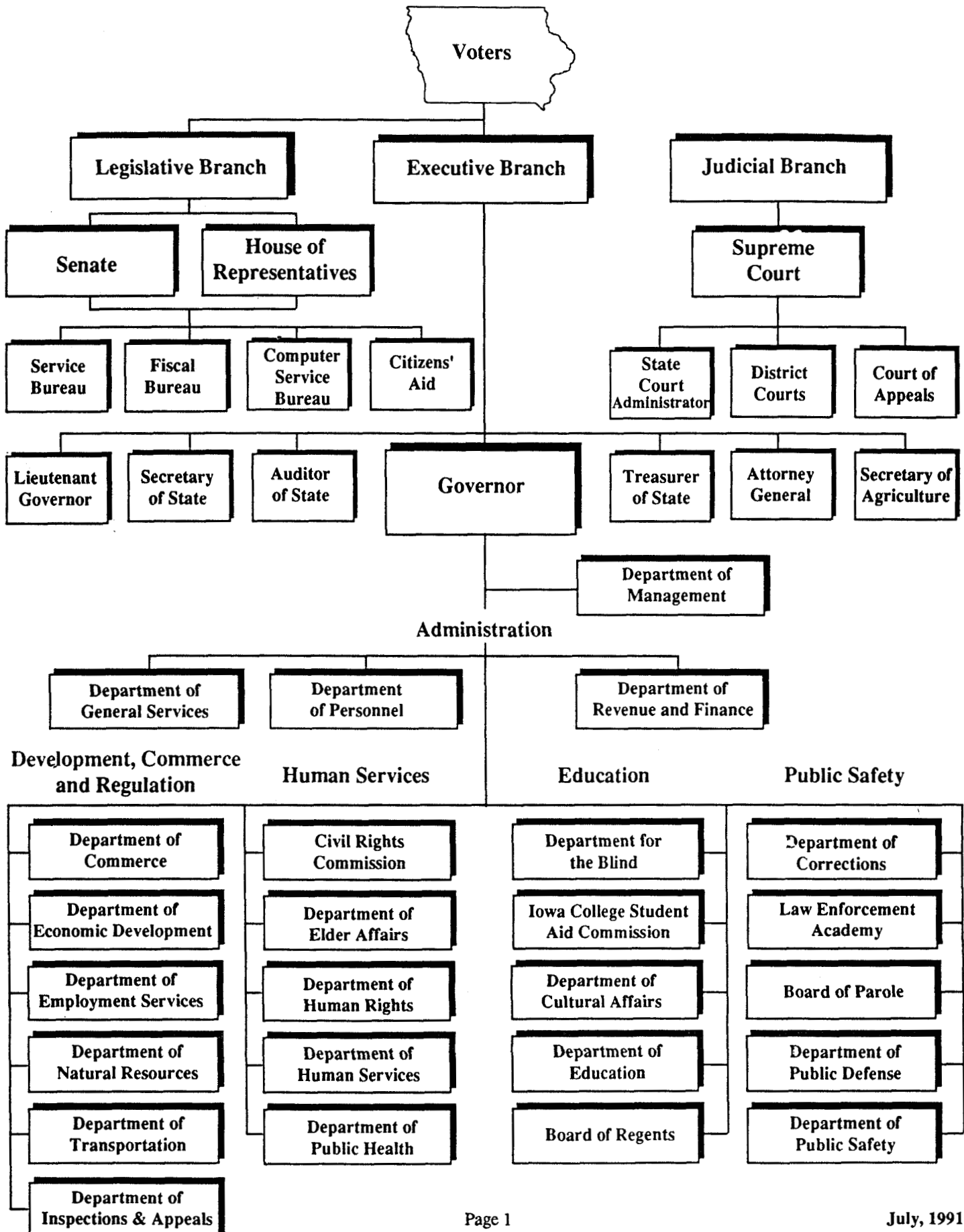
IOWA01.006T/CH

GOVERNOR'S COMMITTEE
ON
GOVERNMENT SPENDING REFORM

BACKGROUND INFORMATION

COMPILED BY THE IOWA DEPARTMENT OF MANAGEMENT
JULY 23, 1991

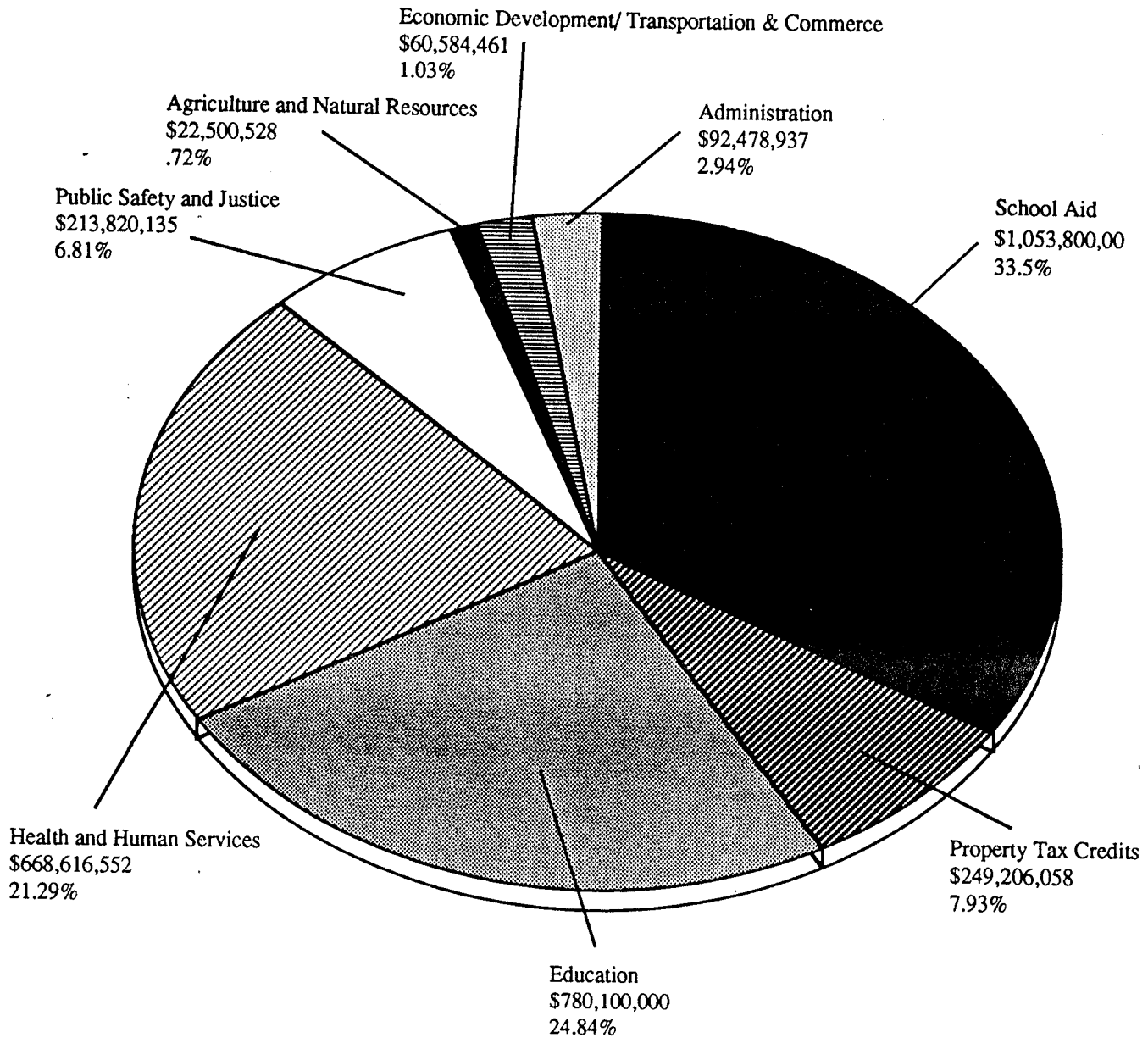
Iowa Organizational Structure



Total General Fund and Lottery Expenditures

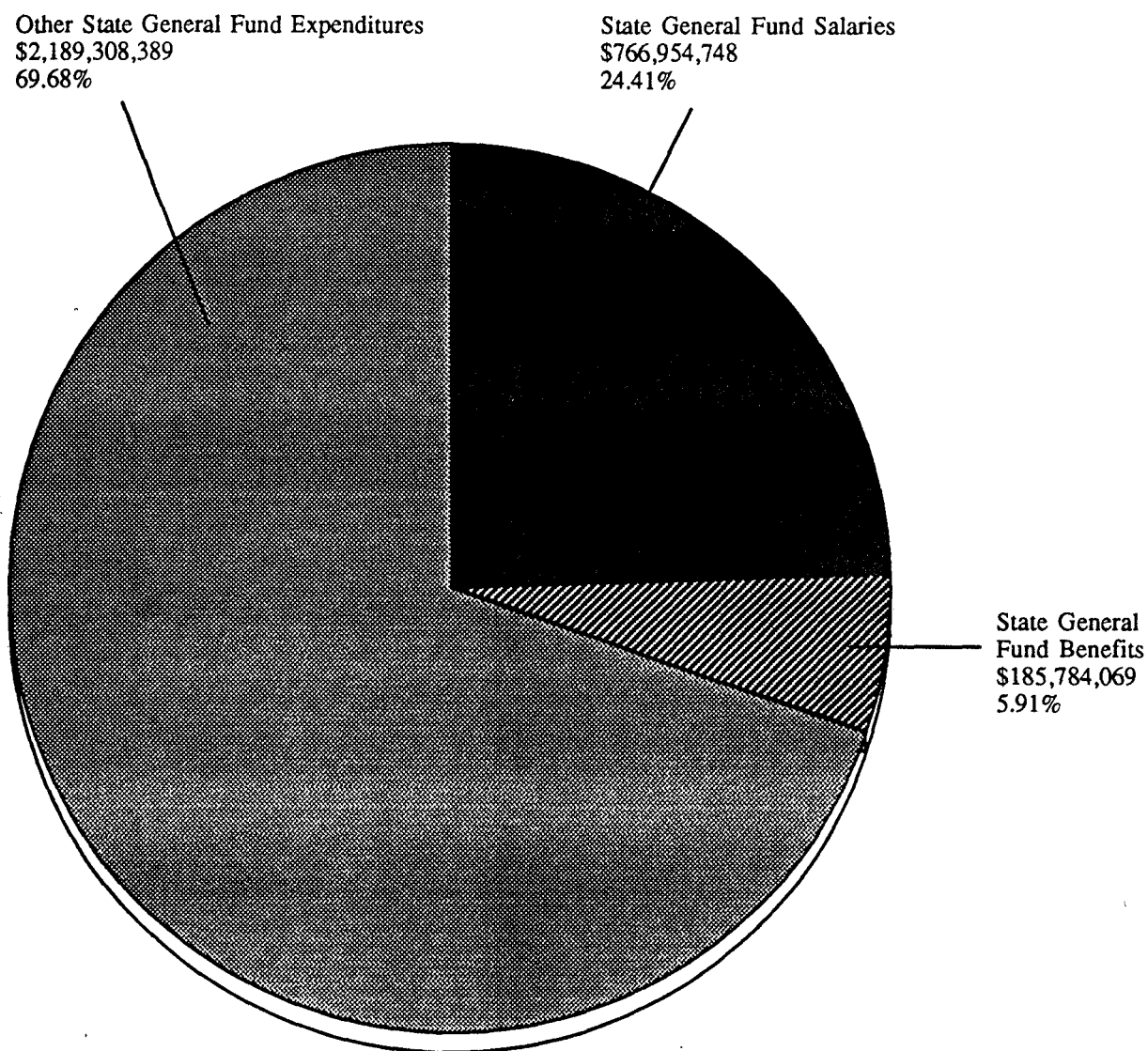
Fiscal Year 1991

Total - \$3,141,106,671



State General Fund

Fiscal Year 1991



SOURCE: Department of Management

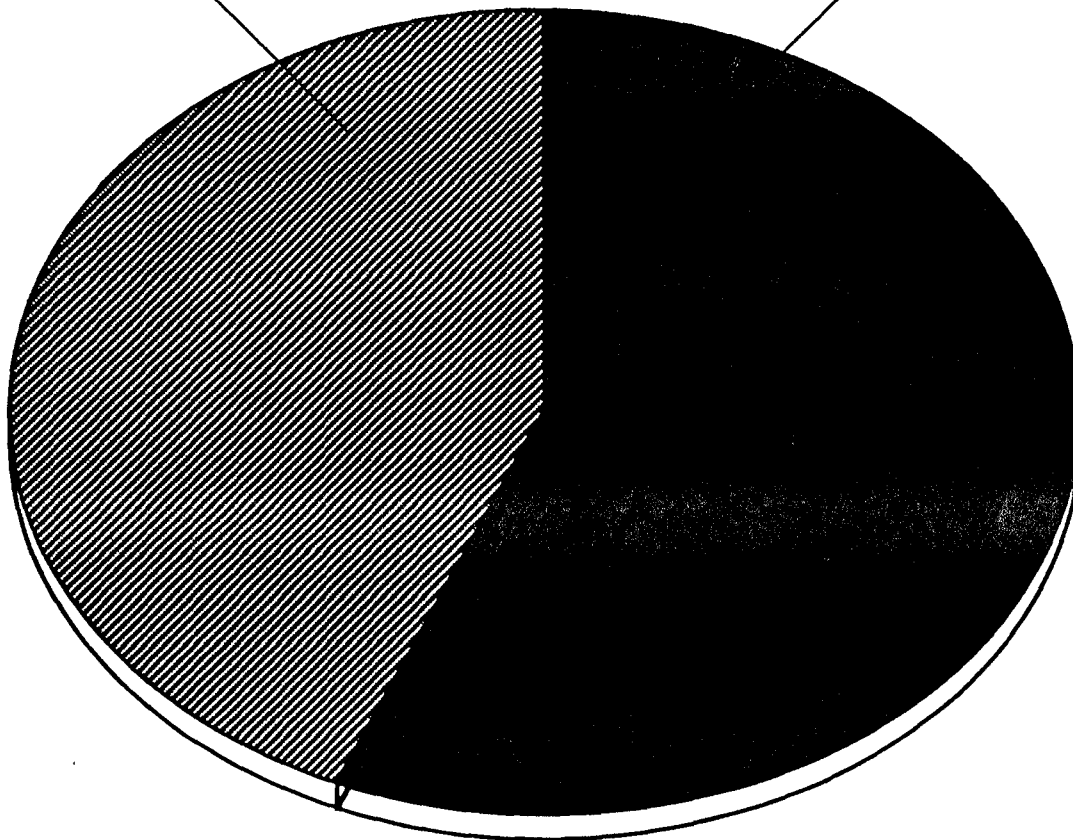
Standing Appropriations vs. All other Appropriations

Fiscal Year 1991

Total - \$3,142,047,206

Standing Appropriations
\$1,373,333,907
44%

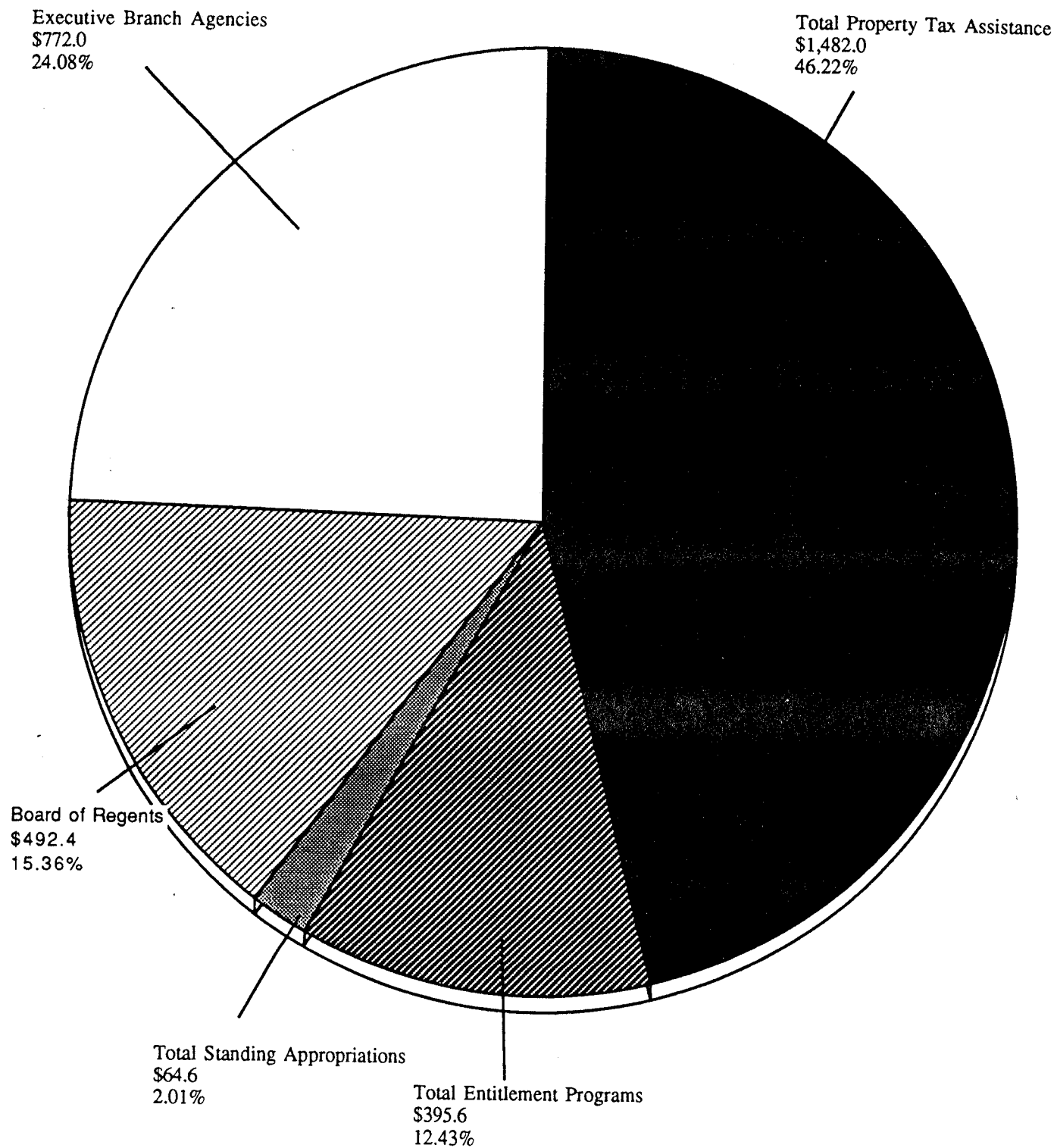
All Other Appropriations
\$1,768,713,299
56%



SOURCE: Department of Management

State General Fund Fiscal Year 1992 Expenditures

(In Millions)



SOURCE: Department of Management

STATE GENERAL FUND
FISCAL YEAR 1992 EXPENDITURES
(in millions)

	AMOUNT	%	CUMULATIVE AMOUNT	CUMULATIVE PERCENT
	-----	----	-----	-----
Property Tax Ass't to Local Government				
K-12 School Aid	\$1,095.7			34%
Merged Area School Aid	\$102.6			
Homestead Tax Credit	\$99.6			
Courts	\$51.5			
Property Tax Replacement	\$59.9			
Ag Land Tax Credit	\$41.7			
Extraordinary Property Tax Reimb	\$11.5			
Mental Health Property Tax	\$10.1			
Franchise Tax Reimbursement	\$9.4			

Total Property Tax Ass't	\$1,482.0	46%	\$1,482.0	46%

Entitlement Programs				
Medicaid	\$251.1			
Foster Care	\$51.9			
ADC & Childcare Assistance	\$51.3			
Juvenile Justice	\$26.1			
Indigent Defense	\$15.2			

Total Entitlement Programs	\$395.6	12%	\$1,877.6	59%

Other Standing Appropriations				
Legislature	\$16.5			
Instructional Support Levy	\$12.5			
Nonpublic School Transportation	\$6.0			
Other Standing Appropriations	\$29.6			

Total Standing Approps	\$64.6	2%	\$1,942.2	61%

Board of Regents	\$492.4	15%	\$2,434.6	76%

Executive Branch Agencies	\$772.0	24%	\$3,206.6	100%

Total	\$3,206.6			
	=====			

SOURCE: DEPARTMENT OF MANAGEMENT

State Operations Appropriations Summary
Fiscal Year 1992 vs. Fiscal Year 1991
General Fund Only

Description	Fiscal Year 91	Fiscal Year 92	Percent Change
Agriculture	\$20,412,878	\$18,416,014	-9.78%
Attorney General	\$5,929,294	\$6,053,809	2.10%
Auditor of State	\$2,007,603	\$1,548,761	-22.86%
Blind	\$1,353,704	\$1,372,472	1.39%
Campaign Finance Disclosure	\$262,943	\$264,128	0.45%
Civil Rights Commission	\$1,022,296	\$997,900	-2.39%
College Aid Commission	\$41,575,020	\$39,628,908	-4.68%
Commerce	\$23,913,154	\$21,150,261	-11.55%
Corrections	\$109,064,993	\$118,480,365	8.63%
Cultural Affairs	\$15,826,930	\$14,921,753	-5.72%
Economic Development	\$30,835,257	\$29,091,747	-5.65%
Education	\$13,010,537	\$12,014,967	-7.65%
Elder Affairs	\$2,501,062	\$2,347,349	-6.15%
Employment Services	\$4,600,361	\$4,537,952	-1.36%
Executive Council	\$41,855	\$40,495	-3.25%
General Services	\$15,069,242	\$14,334,683	-4.87%
Governor's Office	\$1,339,268	\$1,267,996	-5.32%
Governor's Subs Abuse Coord	\$141,733	\$191,174	34.88%
Health	\$35,384,833	\$33,109,141	-6.43%
Human Rights	\$1,655,485	\$1,538,353	-7.08%
Human Services	\$628,027,202	\$598,805,484	-4.65%
Inspections and Appeals	\$24,132,378	\$22,255,514	-7.78%
Judicial	\$73,076,679	\$73,300,000	0.31%
Law Enforcement Academy	\$964,554	\$955,052	-0.99%
Legislative Branch	\$17,039,192	\$16,522,286	-3.03%
Management	\$1,618,081	\$1,523,696	-5.83%
Natural Resources	\$13,692,374	\$12,676,984	-7.42%
Parole Board	\$796,914	\$744,975	-6.52%
Personnel	\$3,921,722	\$3,611,517	-7.91%
Public Defense	\$3,928,645	\$3,747,850	-4.60%
Public Employee Relations	\$719,202	\$656,438	-8.73%
Public Safety	\$17,977,323	\$17,698,941	-1.55%
Regents	\$501,529,266	\$492,401,971	-1.82%
Revenue & Finance	\$21,520,968	\$23,546,090	9.41%
Secretary of State	\$1,722,676	\$2,054,438	19.26%
State & Federal Relations	\$220,340	\$213,179	-3.25%
Treasurer	\$791,614	\$765,887	-3.25%
Total State Gov't Operations	<u>\$1,637,627,578</u>	<u>\$1,592,788,530</u>	<u>-2.74%</u>

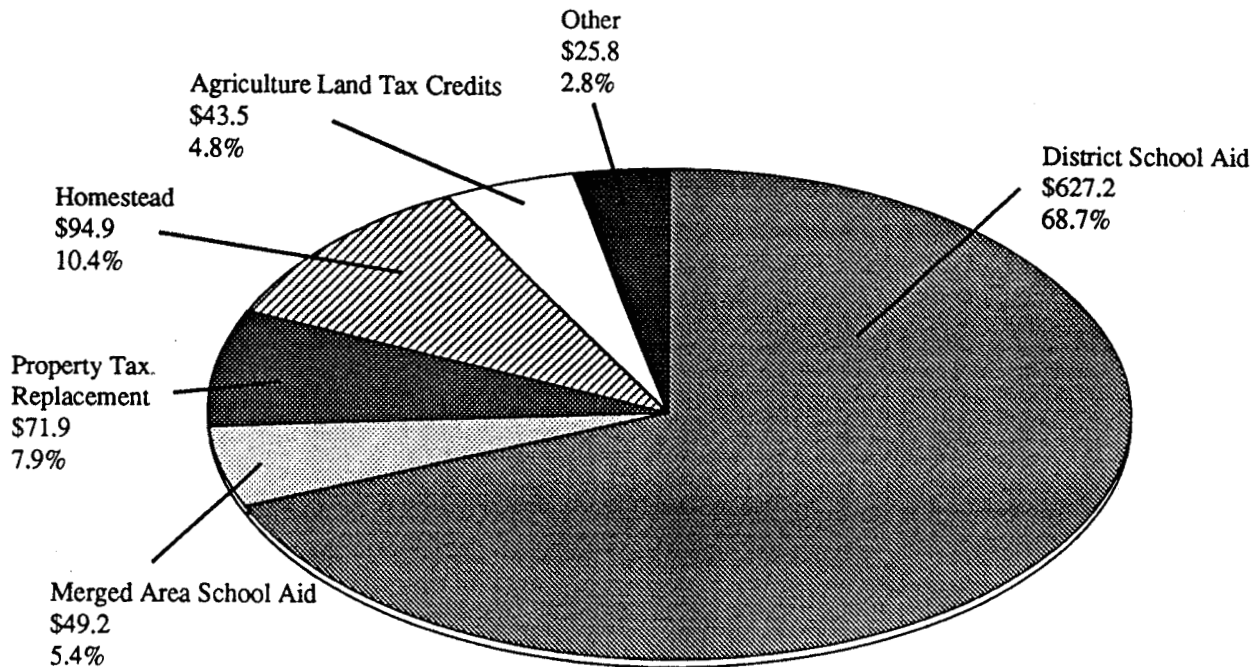
Fiscal Year 1991 figures are subsequent to budget reductions.

Fiscal Year 1992 figures are subsequent to the 3.25% Sec 8.31 reduction.

State Aid to Local Government

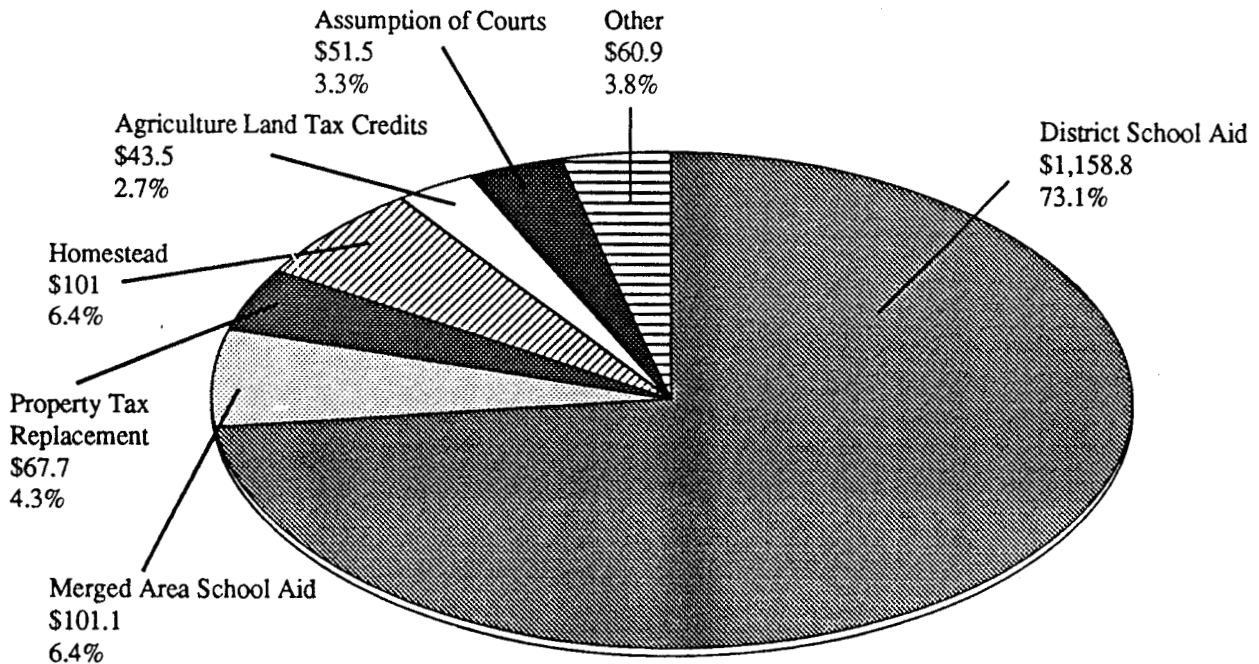
(In Millions)

Fiscal Year 1982



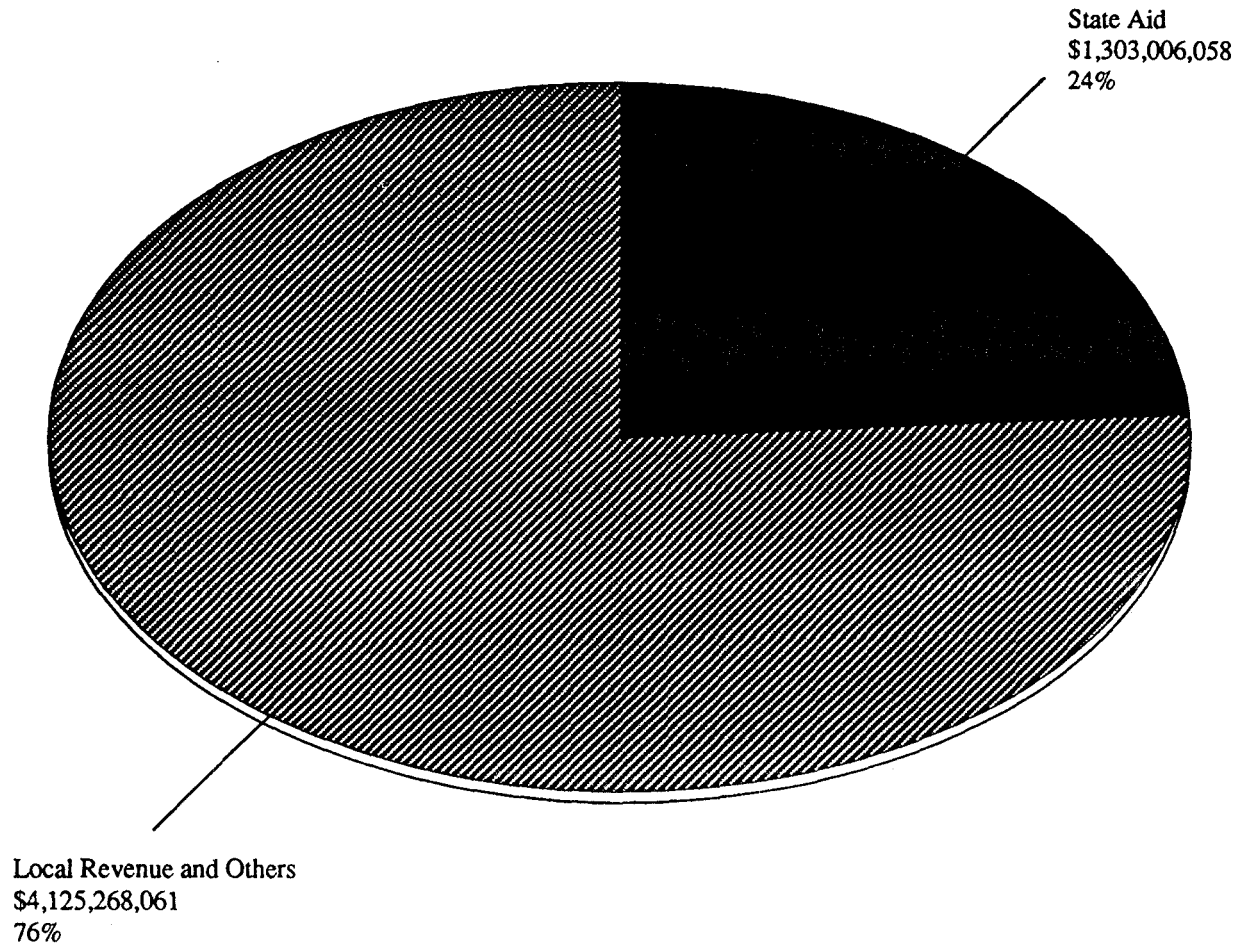
Total Aid FY 1982 - \$912.5

Fiscal Year 1991



Aid FY 1991 - \$1,533.0
 + Courts 51.5
 Total \$1,584.5

**Local Government Budget
Fiscal Year 1991
Percent of Funding from State vs. Local Revenue
(In Millions)**



Total Revenue FY 1991 - \$5,428,274,119

SOURCE: Department of Management

STATE AID TO LOCAL GOVERNMENT

PER CAPITA BY COUNTY

County		Fiscal Year 1991 State Aid	Population	Per Capita
=====		=====	=====	=====
TOP TEN	Monroe	\$ 6,641,221	8,114	\$818
	Adams	\$ 3,572,480	4,866	\$734
	Ringgold	\$ 3,903,681	5,420	\$720
	Fremont	\$ 5,810,904	8,226	\$706
	Greene	\$ 5,847,809	10,045	\$682
	Tama	\$ 11,857,397	17,419	\$681
	Lucas	\$ 6,163,185	9,070	\$680
	Clark	\$ 5,611,876	8,287	\$677
	Appanoose	\$ 9,306,198	13,743	\$677
	Hancock	\$ 8,549,411	12,638	\$676

BOTTOM TEN	Dickinson	\$ 7,716,010	14,909	\$518
	Polk	\$168,596,741	327,140	\$515
	Winneshiek	\$ 10,577,625	20,847	\$507
	Jefferson	\$ 8,182,260	16,310	\$502
	O'Brien	\$ 7,532,544	15,444	\$488
	Dubuque	\$ 40,132,398	86,403	\$464
	Sioux	\$ 12,810,644	29,903	\$428
	Story	\$ 29,397,278	74,252	\$396
	Carroll	\$ 8,217,471	21,423	\$384
	Johnson	\$ 34,308,181	96,119	\$357

Source: Department of Management

TOTAL LOCAL GOVERNMENT

SPENDING PER CAPITA

	County	FY 1991 Local Expenditures	Population	Per Capita
	=====	=====	=====	=====
TOP TEN	-----			
	Muscatine	\$148,230,876	39,907	\$3,714
	Clay	\$ 51,788,836	17,585	\$2,945
	Hamilton	\$ 42,647,932	16,071	\$2,654
	Adair	\$ 21,503,218	8,409	\$2,557
	Winnebago	\$ 29,559,082	12,122	\$2,438
	Bremer	\$ 55,448,406	22,813	\$2,431
	Story	\$174,767,871	74,252	\$2,354
	Adams	\$ 11,114,670	4,866	\$2,284
	Kossuth	\$ 41,977,589	18,591	\$2,258
	Davis	\$ 18,739,522	8,312	\$2,255

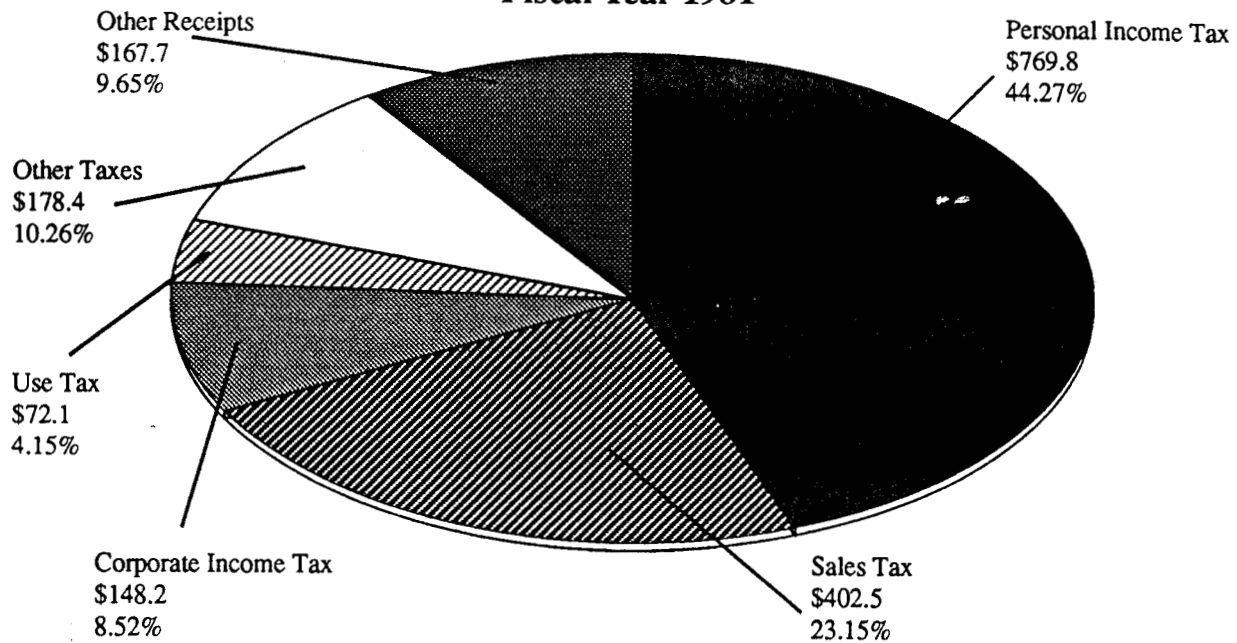
BOTTOM TEN	-----			
	Winneshiek	\$ 33,389,789	20,847	\$1,602
	Dubuque	\$137,622,225	86,403	\$1,593
	Appanoose	\$ 21,836,544	13,743	\$1,589
	Howard	\$ 15,560,893	9,809	\$1,586
	Mills	\$ 20,574,294	13,202	\$1,558
	Buena Vista	\$ 31,109,051	19,965	\$1,558
	Jones	\$ 30,006,183	19,444	\$1,543
	Washington	\$ 30,166,451	19,612	\$1,538
	Jefferson	\$ 22,734,411	16,310	\$1,394
	Johnson	\$132,520,935	96,119	\$1,379

Source: Department of Management

State Revenues by Source

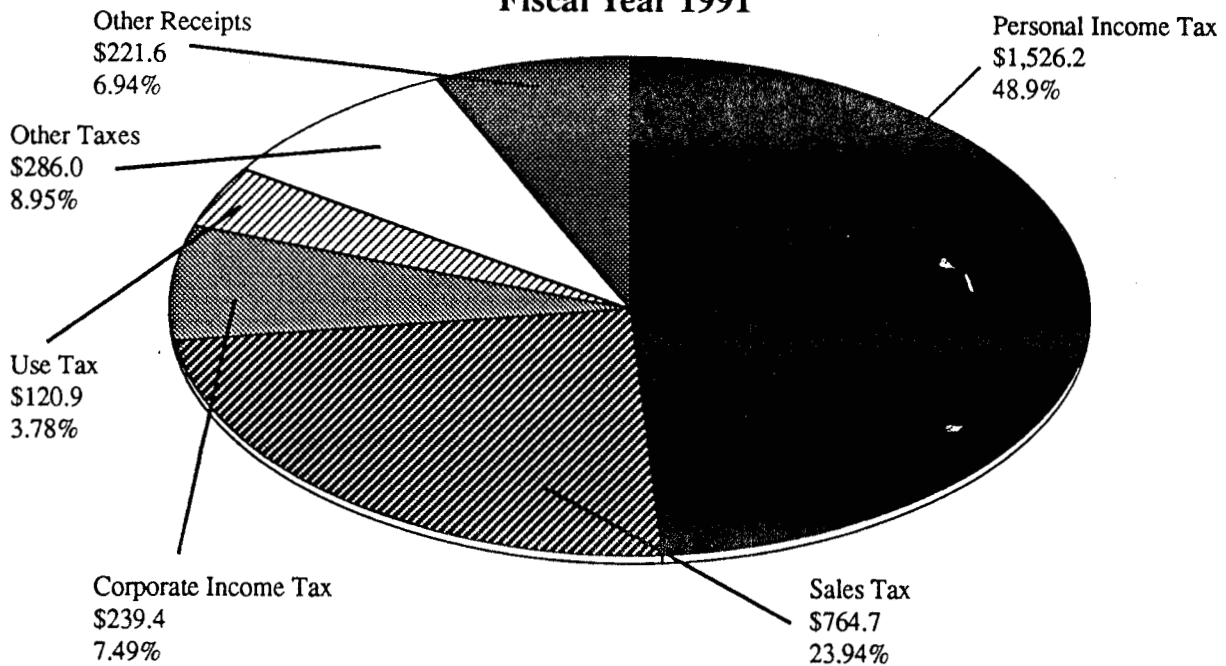
(In Millions)

Fiscal Year 1981



Total Revenues FY 1981 - \$1,738.7

Fiscal Year 1991



Total Revenues FY 1991 - \$3,158.8

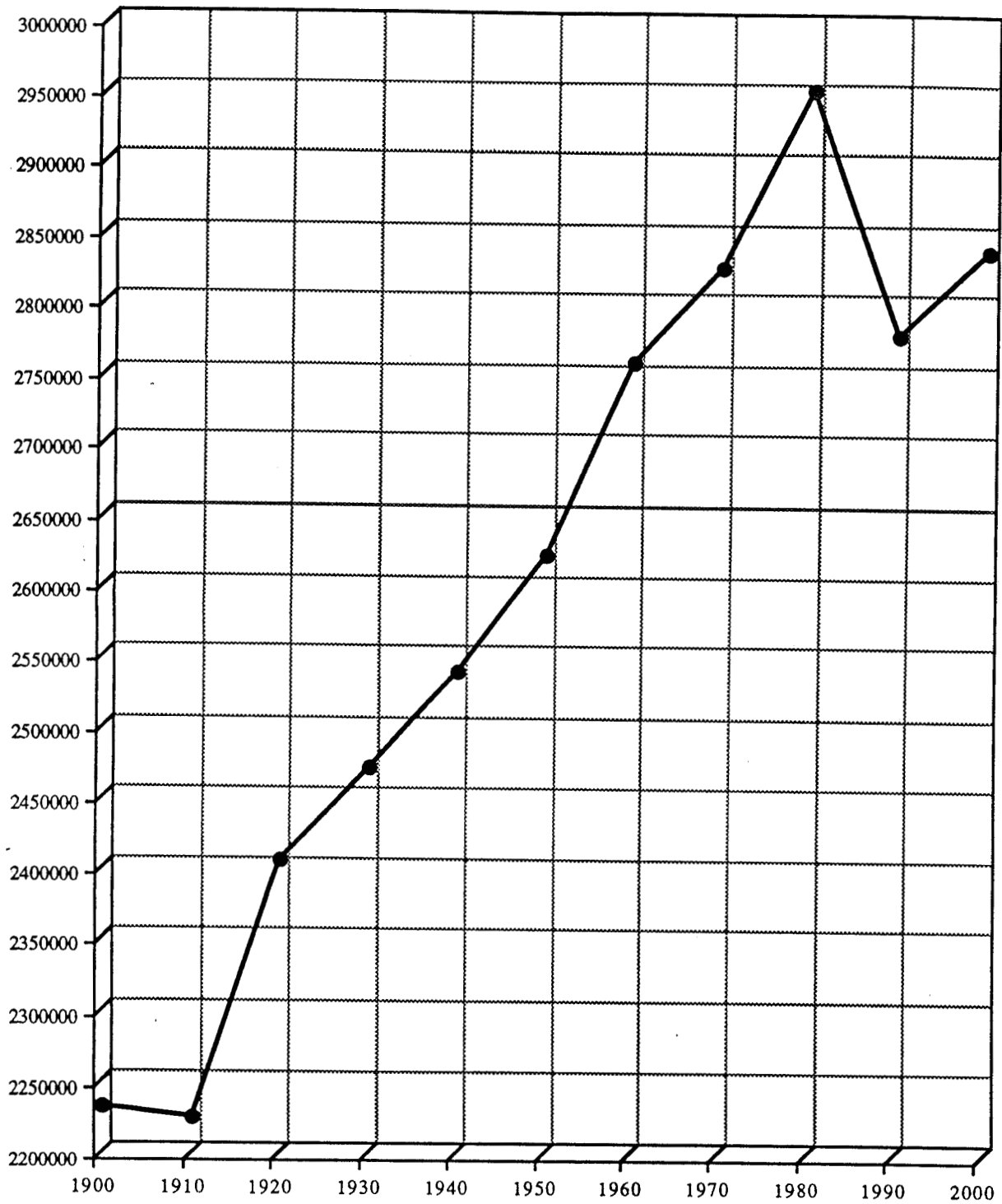
STATE OF IOWA APPROPRIABLE RECEIPTS

(IN THOUSANDS)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL
SPECIAL TAXES:										
Personal Income Tax	\$837,218	\$853,577	\$929,326	\$977,805	\$1,002,343	\$1,133,584	\$1,235,127	\$1,368,010	\$1,445,632	\$1,526,152
Sales Tax	405,597	451,248	584,253	586,213	602,216	642,760	667,315	702,055	728,530	764,652
Corporation Income Tax	169,985	168,694	159,299	187,573	165,690	185,681	195,328	236,025	230,697	239,439
Use Tax	76,032	65,920	81,811	91,128	95,383	102,721	94,895	103,501	114,282	120,913
Inheritance Tax	79,842	65,148	57,541	58,252	58,262	58,368	58,932	66,510	65,119	68,977
Insurance Premium Tax	71,410	49,432	52,338	55,632	72,764	76,490	81,033	84,878	86,976	92,288
Cigarette & Tobacco Taxes	61,070	60,385	59,095	58,060	72,260	77,490	83,209	92,177	85,226	86,523
Beer & Liquor Taxes	16,935	16,728	16,561	16,295	14,825	12,818	12,745	12,551	12,592	12,703
Franchise Tax	8,154	6,640	6,627	9,450	8,739	4,294	8,463	22,663	25,535	24,989
Miscellaneous Taxes	1,446	1,195	-11	228	271	319	341	450	565	566
TOTAL SPECIAL TAXES	\$1,727,689	\$1,738,967	\$1,946,840	\$2,040,636	\$2,092,753	\$2,294,525	\$2,437,388	\$2,688,820	\$2,795,154	\$2,937,202
Percentage Increase	9.98%	0.65%	11.95%	4.82%	2.55%	9.64%	6.23%	10.32%	3.95%	5.08%
OTHER RECEIPTS										
County Reimbursements	39,229	37,278	38,549	41,433	47,620	41,744	38,339	50,905	50,686	46,274
Liquor Transfers	46,811	41,000	41,500	37,572	32,400	27,106	10,905	28,419	29,487	30,604
Interest	38,583	27,640	23,895	21,344	23,584	19,348	16,455	12,386	14,021	11,792
Fees	25,750	28,345	30,044	23,899	25,939	19,438	13,871	14,767	11,958	16,684
Judicial Revenue	---	---	17,149	21,409	24,880	28,523	30,784	33,648	35,289	35,727
Third Ptry. Pmts. - Inst.	---	---	29,698	38,502	41,109	44,041	48,100	53,769	55,230	59,083
Miscellaneous Receipts	16,712	21,996	6,752	10,761	12,801	20,933	10,372	13,551	16,349	14,329
Racing & Gaming Receipts	---	---	---	---	2,105	10,794	11,093	10,928	8,813	7,153
TOTAL OTHER RECEIPTS	\$167,085	\$156,259	\$187,587	\$194,920	\$210,438	\$211,927	\$179,919	\$218,373	\$221,833	\$221,646
TOTAL RECEIPTS	\$1,894,774	\$1,895,226	\$2,134,427	\$2,235,556	\$2,303,191	\$2,506,452	\$2,617,307	\$2,907,193	\$3,016,987	\$3,158,848
Percentage Increase	8.98%	0.02%	12.62%	4.74%	3.03%	8.83%	4.42%	11.08%	3.78%	4.70%
Transfers	6,370	4,682	6,649	23,232	31,872	3,229	3,200	10,862	2,329	82,660
TOTAL APPROPRIABLE RECEIPTS	\$1,901,144	\$1,899,908	\$2,141,076	\$2,258,788	\$2,335,063	\$2,509,681	\$2,620,507	\$2,918,055	\$3,019,316	\$3,241,508

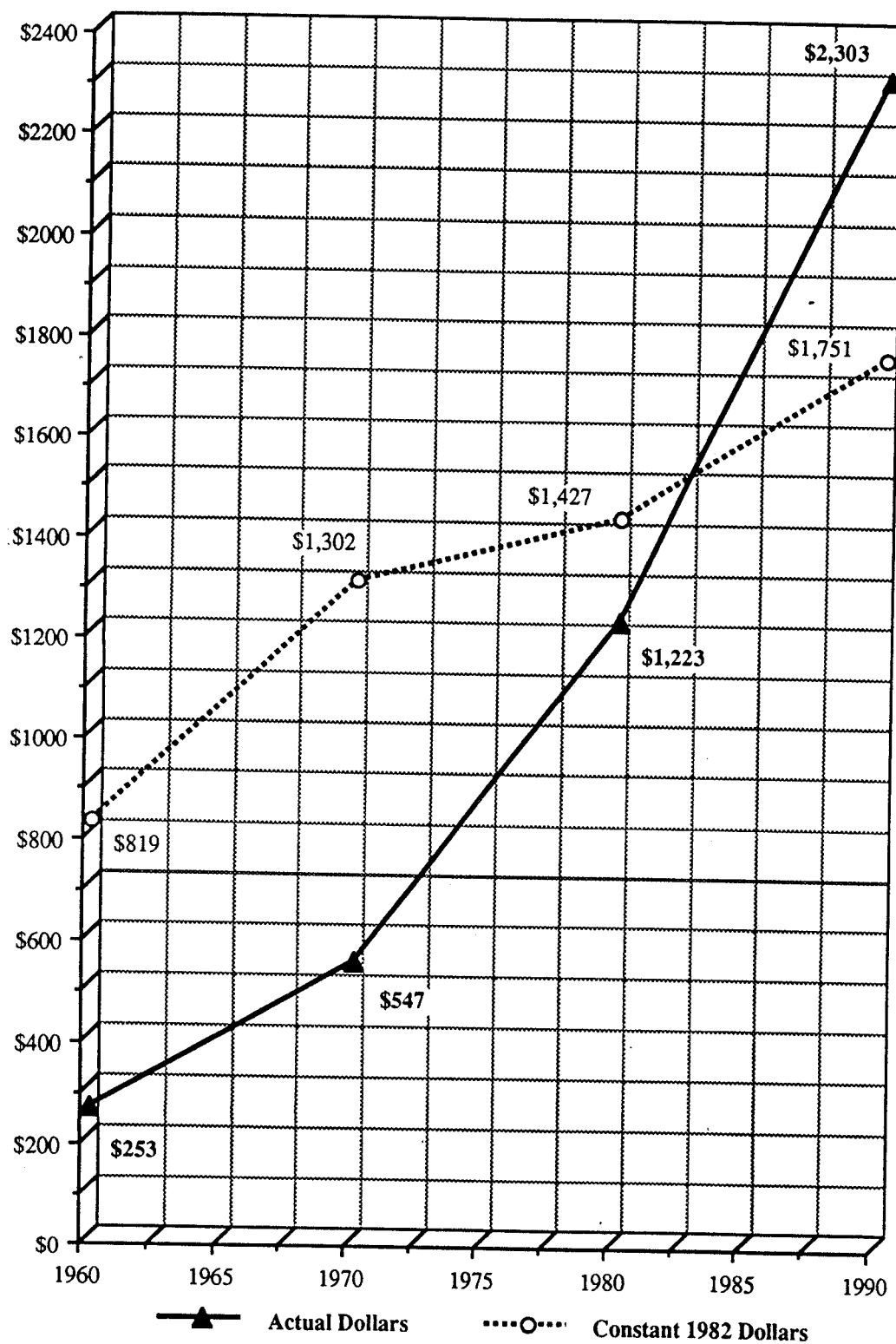
Source: Iowa Department of Management

Iowa Population



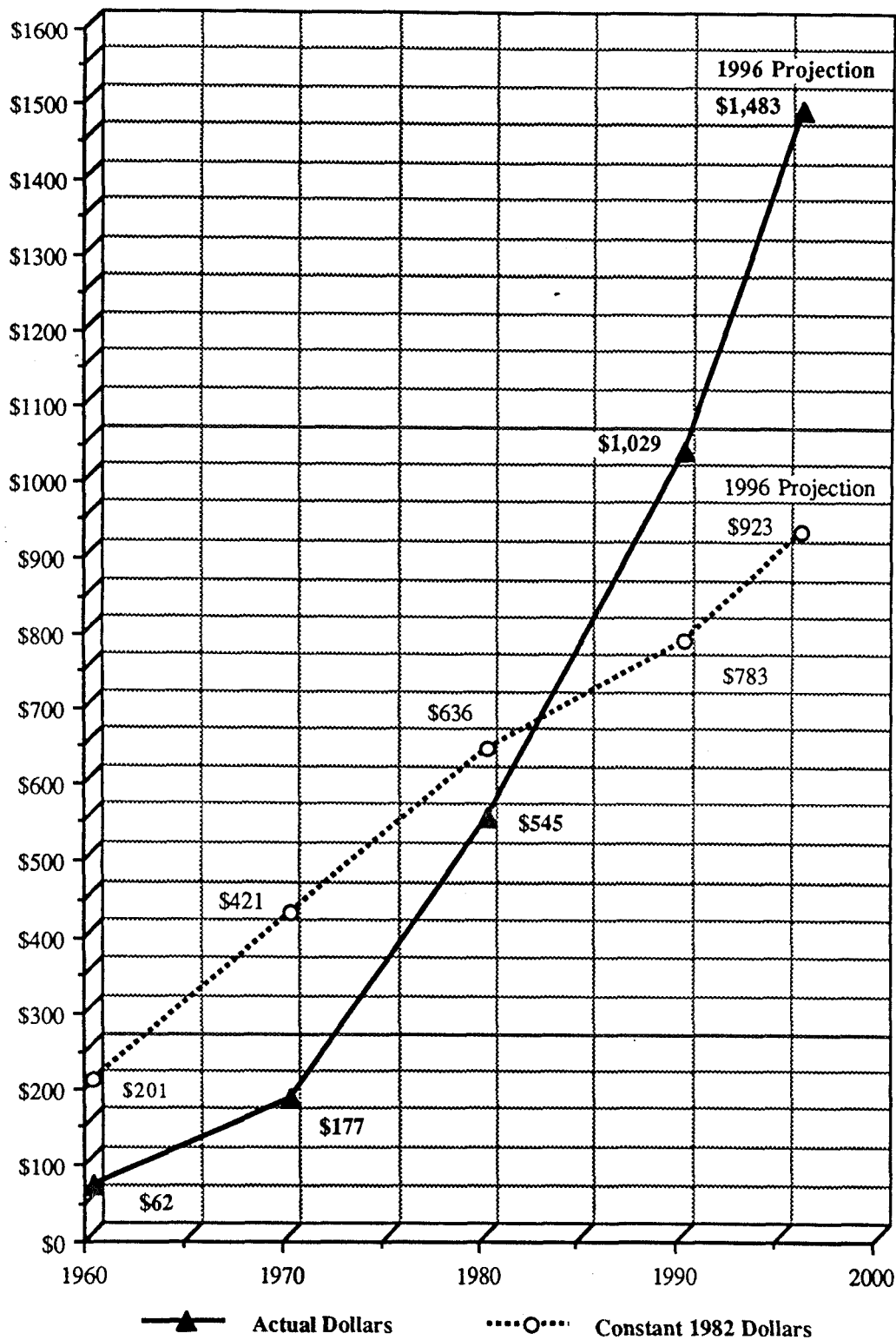
Source: U.S. Department of Commerce

Total State and Local Government Spending (per Capita)



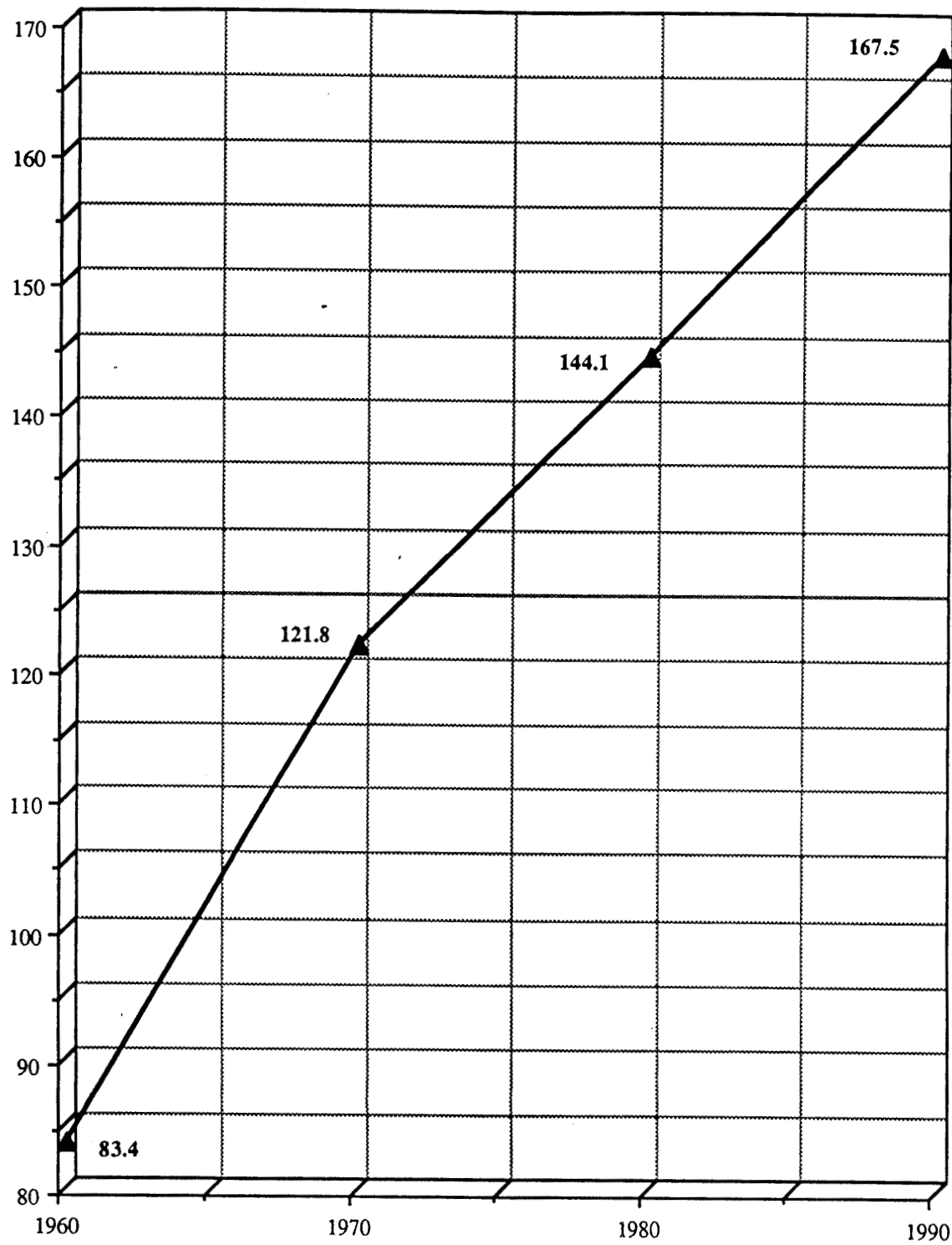
SOURCE: Department of Management

Total State General Fund and Lottery Expenditures (per Capita)



SOURCE: Department of Management
US Department of Commerce
Woods & Poole Economics, Inc.

State of Iowa Employees (per 10,000 population)



SOURCE: Department of Management

TOTAL EMPLOYEES IN STATE GOVERNMENT

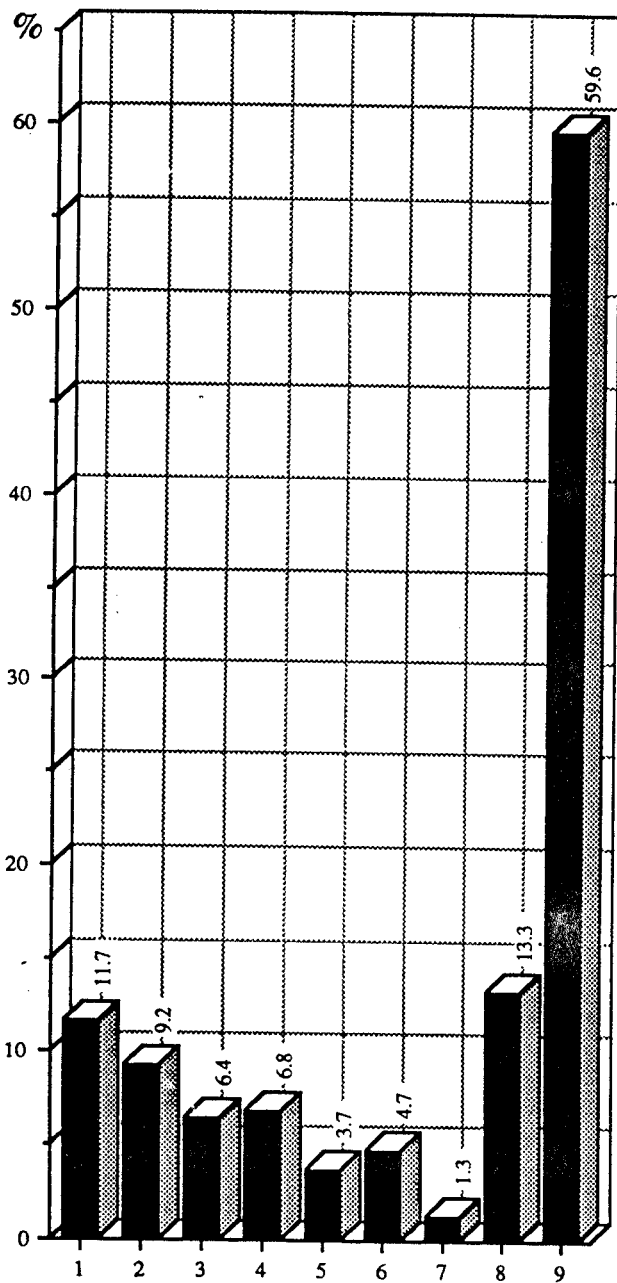
	FY1982	FY1991	ACTUAL CHANGE	PERCENT
	-----	-----	-----	-----
EXECUTIVE BRANCH	22,166	21,916	(250)	-1.1%
COURTS	402	1,937	1,535	381.8%
LEGISLATURE	484	564	80	16.5%
REGENTS	19,074	22,137	3,063	16.1%
	-----	-----	-----	-----
TOTAL	42,126	46,554	4,428	10.5%

Source: Department of Management
Based on the number of paychecks issued during the 2nd
payperiod of April of each year.

General Fund and Lottery Expenditures

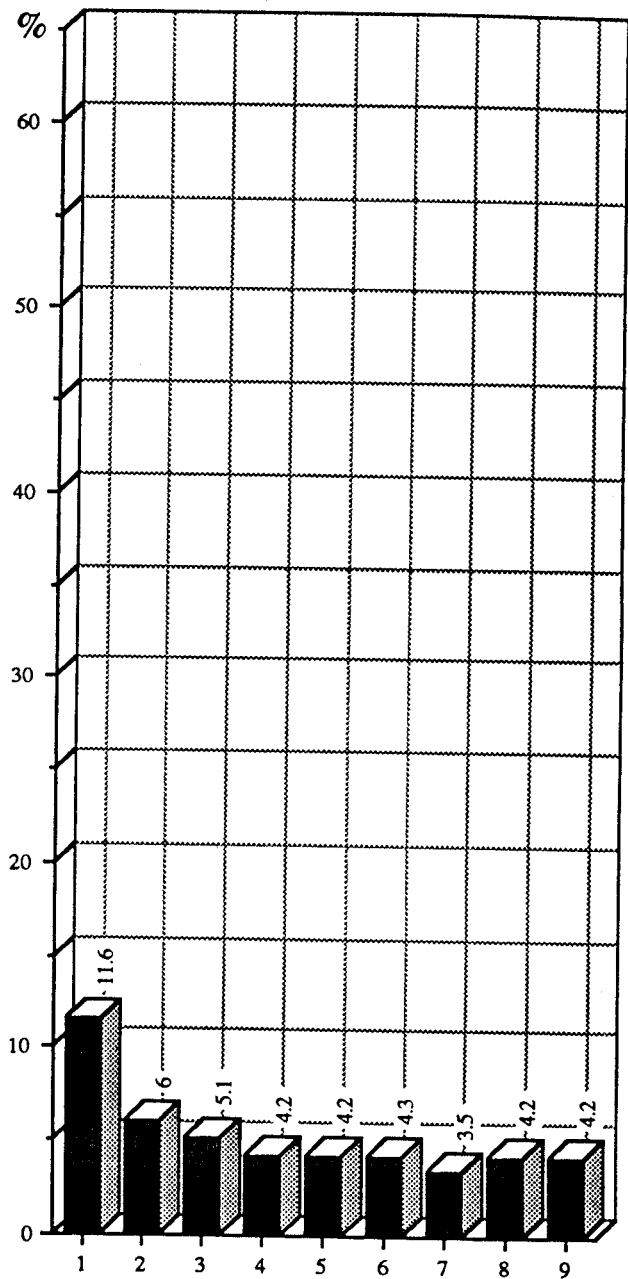
Average Annual Percent Change by Functional Area

1982 - 1991 Actual



1. Health and Human Services
2. Education
3. Public Safety and Corrections
4. Agriculture and Natural Resources
5. Economic Development/
Transportation and Commerce

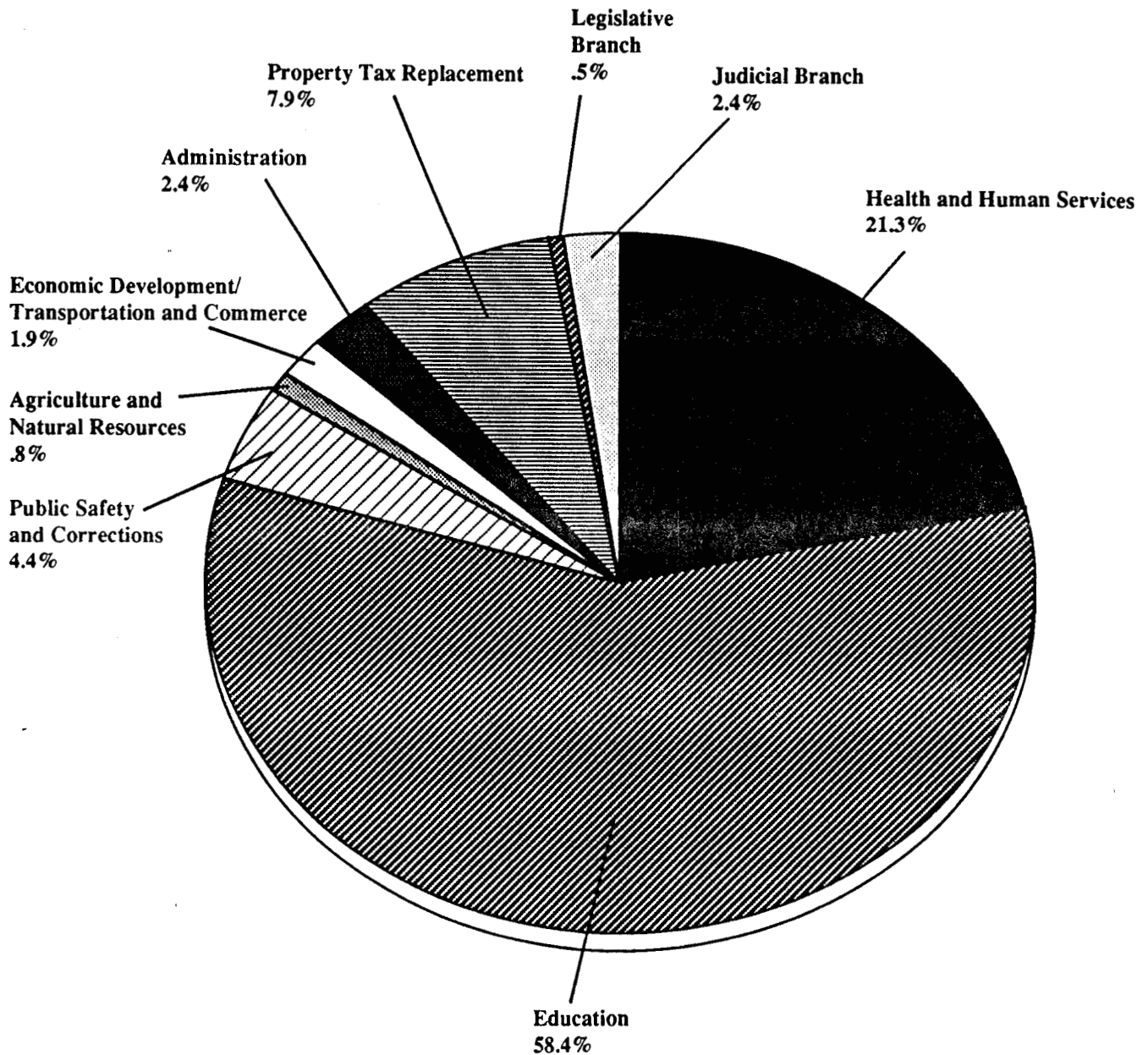
1992 - 1996 Projected



6. Administration
7. Property Tax Replacement
8. Legislative Branch
9. Judicial Branch

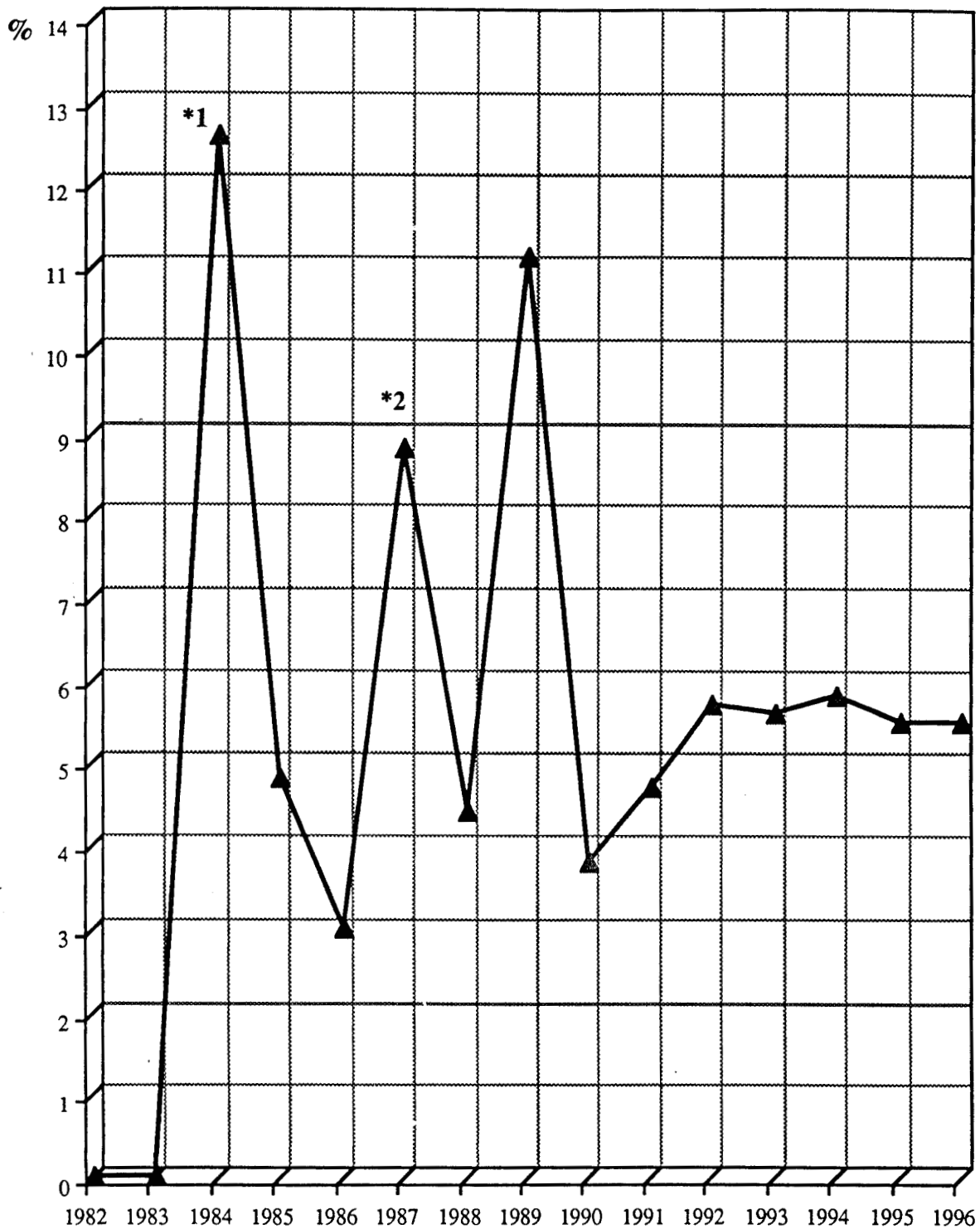
General Fund and Lottery Expenditures

Fiscal Year 1991 Budget Percent by Functional Area



SOURCE: Department of Management

Percent Increase in Revenue



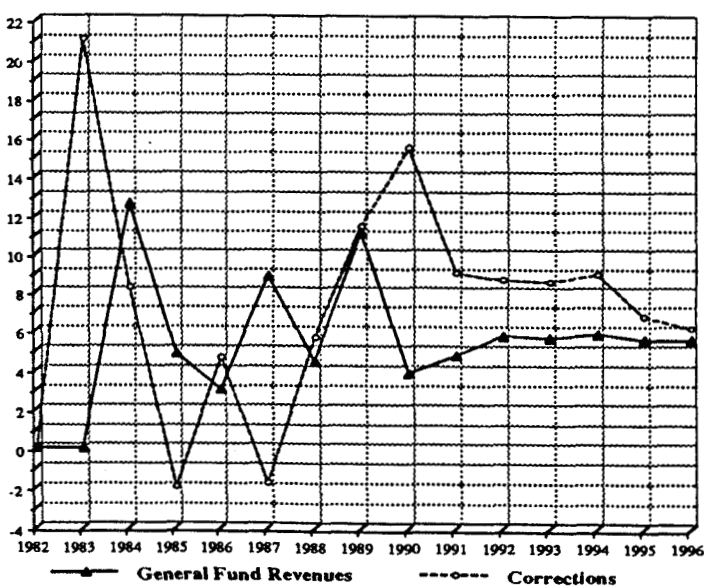
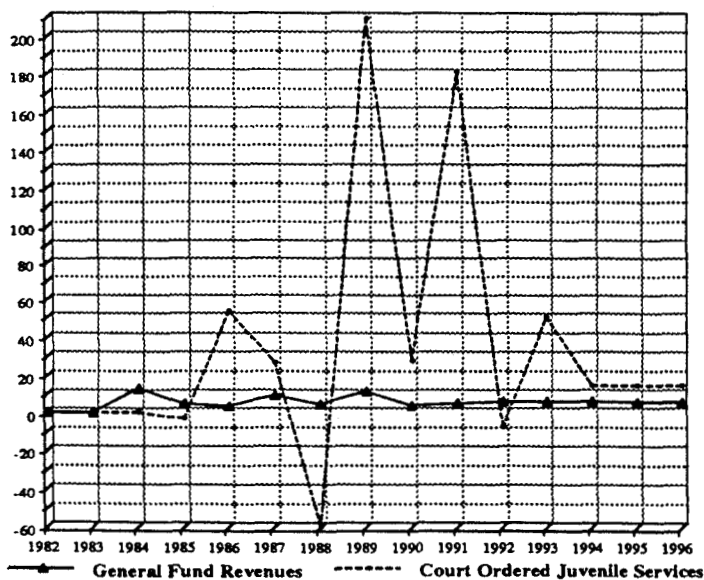
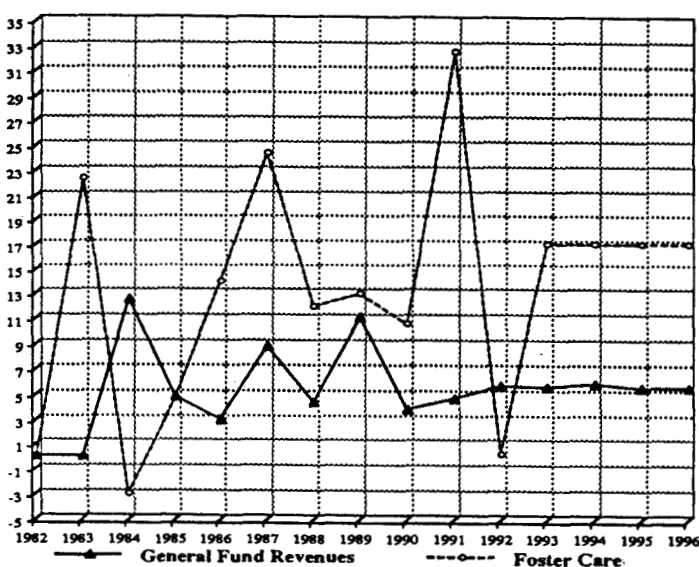
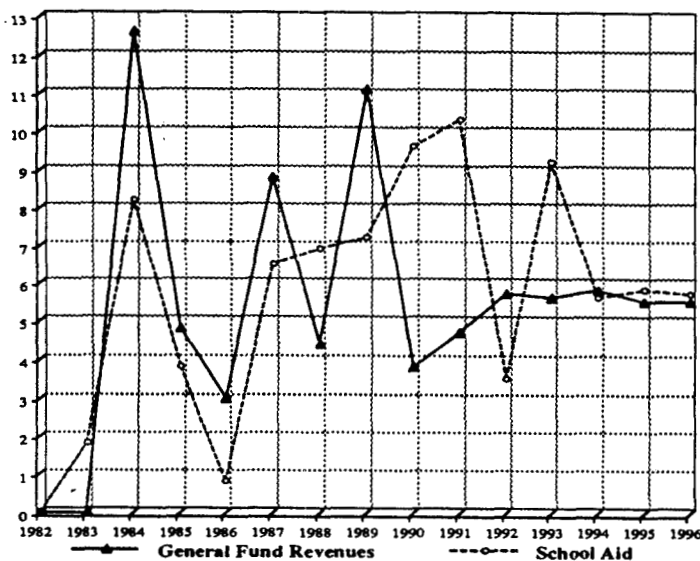
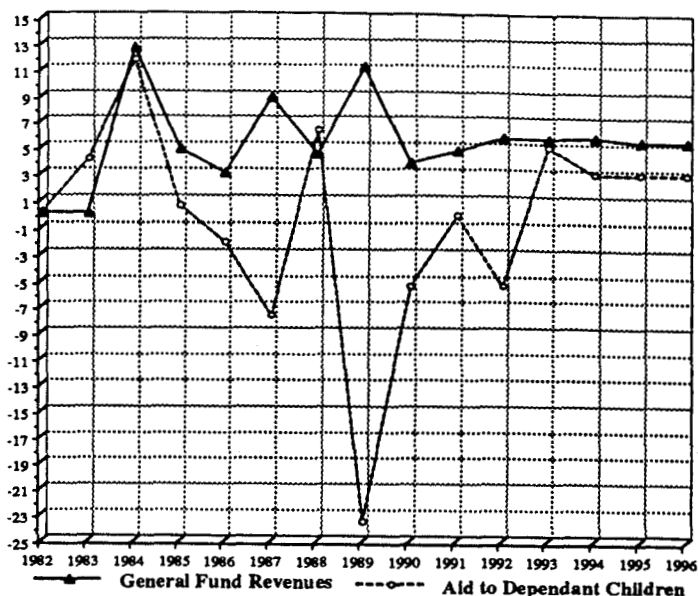
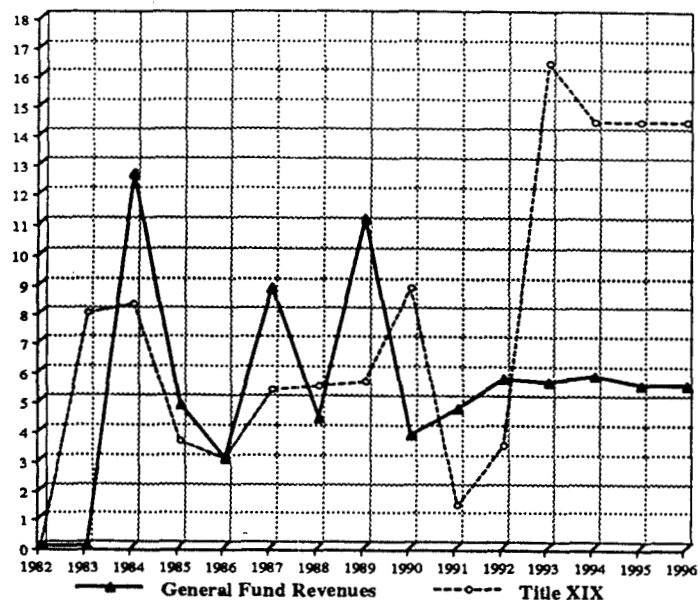
Significant Events:

SOURCE: Department of Management

*1 (FY84) Increased sales/use tax rates from 3% to 4% on March 1, 1983.

*2 (FY87) Conformed with most major Federal Corporate Income Tax changes.
Also, conducted a tax amnesty program.

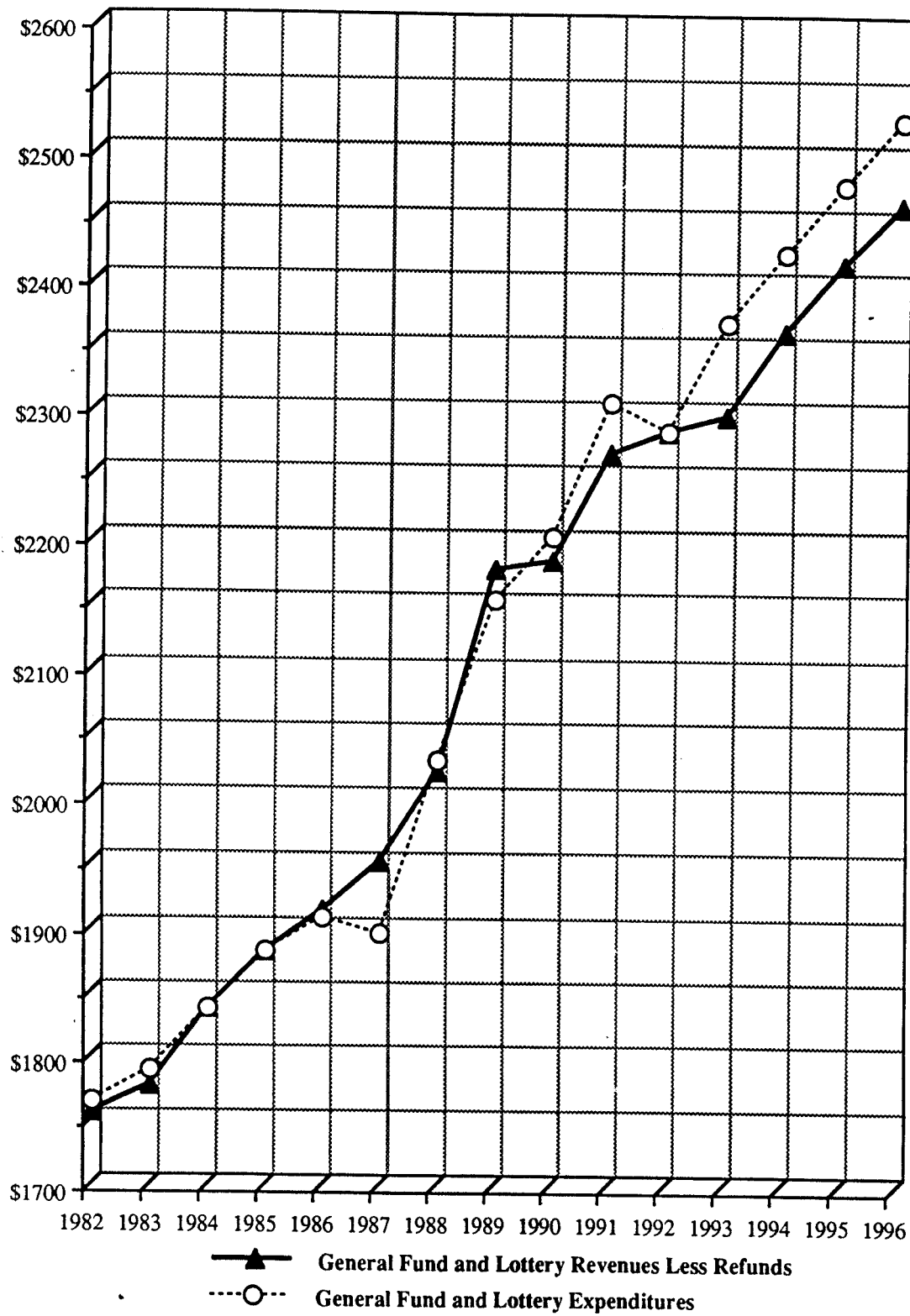
State Revenue Growth vs. Growth in Selected State Programs (In Millions)



State General Fund and Lottery Funds

Revenues vs. Expenditures in Constant 1982 Dollars

(In Millions)



SOURCE: Iowa Department of Management

STATE OF IOWA

ESTIMATED CONDITION OF THE GENERAL FUND

FINANCIAL SUMMARY

(In Millions)

	Fiscal Year June 30	
	1991	1992
Beginning Balance	\$71.7	\$ 0.6
Estimated Revenues:		
Revenue Estimating Conference		\$3282.6
Recommended Adjustments		57.3
Revenues Derived from Fund Reclassifications		53.9
Total Revenues	\$3159.1	\$3393.8
Refunds of Taxes	- 232.0	-245.1
Net Revenues	\$2927.1	\$3148.7
Accrued Revenue Changes	\$53.6	\$16.9
Transfers:		
Annual Departmental Transfers	\$1.1	\$33.7
One Time Cash Transfers	61.2	7.8
Transfers of Reclassified Funds	21.6	
Total Transfers	\$83.9	\$41.5
Total Funds Available	\$3136.3	\$3207.7
Appropriations:		
Enacted Appropriations	\$3162.0	\$3311.2
Supplemental Appropriations	40.9	29.8
Deappropriations	-60.2	
Recommended Appropriations	\$3142.7	\$3341.0
Reversions:		
Regular Estimated Reversions	-7.0	-10.0
Item Veto Reversions		-18.6
8.31 Across the Board Reduction		-104.7
Net Appropriations	\$3135.7	\$3207.7
Ending Balance	\$0.6	\$ 0.0

Budget to GAAP Reconciliation - General Fund

(Expressed in Millions)

	FY 91 Estimate	FY 92 Estimate
Fund Balance - Budgetary/Legal (1)	1.8	0.0
Basis of Accounting Differences		
Balance Sheet Accounts:		
Accounts Receivable (2)	61.7	61.7
Loans Receivable (2)	1.3	1.3
Due From Other Funds (2)	9.3	9.3
Prepaid Expenditures (3)	0.0	1.0
Taxes Receivable (4)	(249.6)	(265.1)
Accounts Payable & Accruals (5)	(153.3)	(118.0)
Tax Refunds Payable (2)	(23.0)	(23.0)
Due to Other Funds (2)	(8.7)	(8.7)
Deferred Revenue (2)	(2.6)	(2.6)
Fund Structure Differences		
Fund Reclassifications (6)	<u>424.2</u>	<u>424.2</u>
 Total Fund Balance - GAAP Basis	 61.1	 80.1
Less: Reserved Fund Balance - GAAP Basis (7)	(357.3)	(363.6)
Fund Balance Unreserved - GAAP Basis	(296.2)	(283.5)
Estimated Future GAAP Impact (8)	176.0	182.0
Fund Balance Unreserved - Future GAAP Basis	<u>(120.2)</u>	<u>(101.5)</u>

Estimates reflect projected actual FY 90 GAAP based on fund balance, revenues, appropriations, adjustments, transfers and reversions, contained in the Department of Management's June 7, 1991, projections.

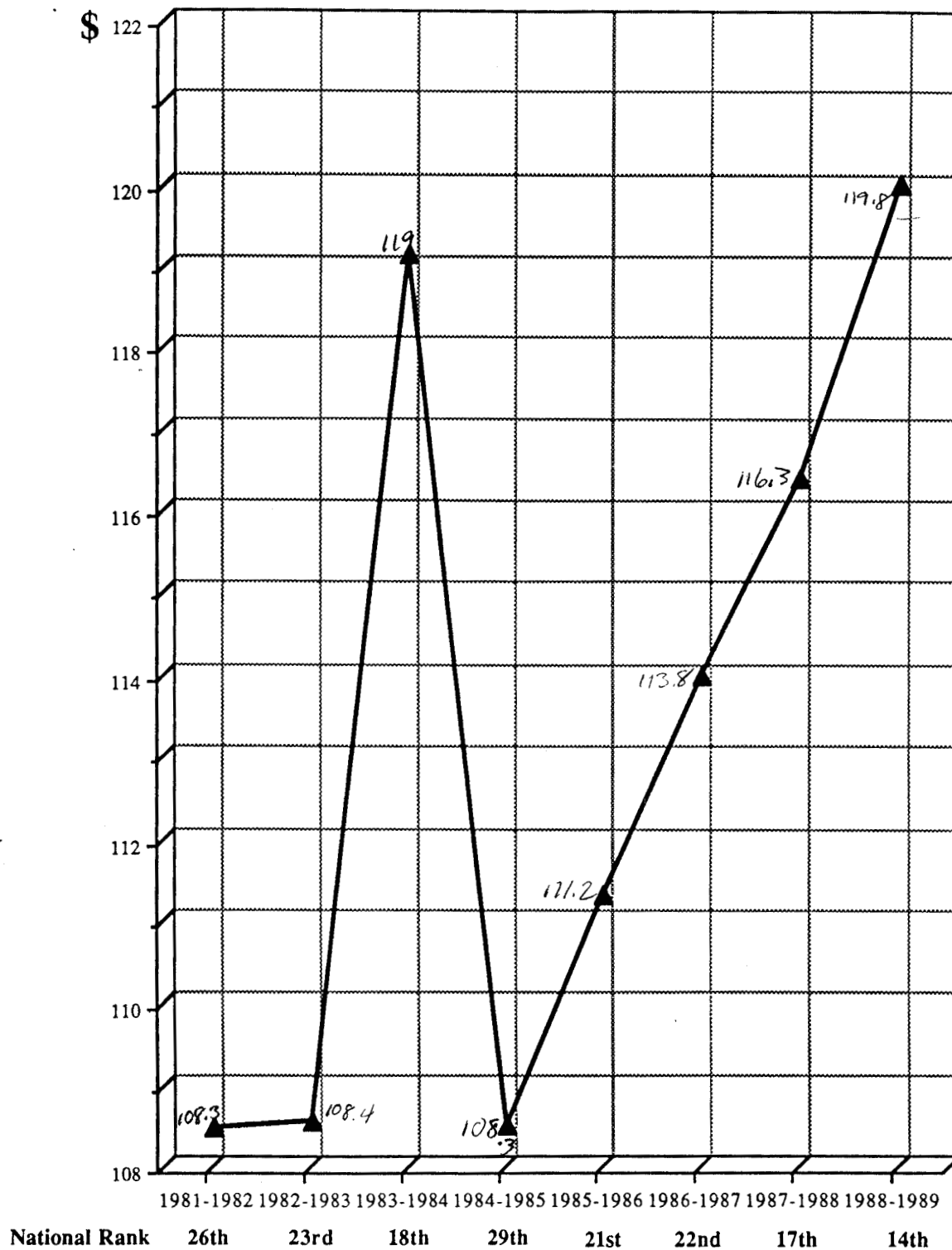
See next page for footnotes.

- (1) Department of Management's June 7, 1991 projection.
- (2) FY 90 actual figure. No better estimate is available at this time.
- (3) FY 91 - FY 90 CAFR figure of \$3.4 million will be transferred to the General Fund resulting in a balance of zero.

FY 92 - Add \$1.0 million FY 92 additions.
- (4) FY 90 figure of \$199.6 million DOM estimate of taxes receivable of \$50.0 million and \$15.5 million for FY 91 and FY 92, respectively.
- (5) FY 90 figure of \$144.7 million add additional \$3.7 million for Vocational Education Aid and \$4.9 million for Special Mental Health Services rolled forward to future years. Subtract \$35.3 million for property tax replacement which becomes part of the ten foundation aid payments in FY 92.
- (6) FY 90 figure of \$437.4 million less \$13.2 million of fund reclassifications.
- (7) FY 90 figure of \$341.0 million less \$9.3 million for reserved funds that have had Code changes to make them General Unreserved funds. Add \$2.8 million for funds 700 and 862 that will have to be General Reserved funds. Add \$1.8 million for Commerce funds that will be returned to them during FY 94. Add \$21.0 million and \$6.0 million for FY 90 and FY 91, respectively, for the transfer of Insurance funds that should be reserved per Attorney General discussions.
- (8) These estimates must be viewed with extreme caution. Due to the lack of significant information on future GASB projects, these amounts could change materially.

6/20/91

State and Local Tax Collections per \$1000 Personal Income (in Millions)



SOURCE: US Department of Commerce

Iowa Change in Employment

by Sector, Metro and Non-Metro Counties

1979 - 1988

Sector(Selected)	Employment Change			
	Non-Metro		Metro	
	Increase or <u>Decrease</u>	Percent <u>Change</u>	Increase or <u>Decrease</u>	Percent <u>Change</u>
All Industries	(16,631)	(2.0%)	49,646	7.2%
Farm Employment	(33,055)	(21.6%)	(4,634)	(19.4%)
Manufacturing	(4,206)	(3.3%)	(29,473)	(21.8%)
Retail	(3,289)	(2.4%)	12,638	10.6%
Services	34,913	24.8%	54,863	37.2%
1979 Employment Base	851,071		690,201	

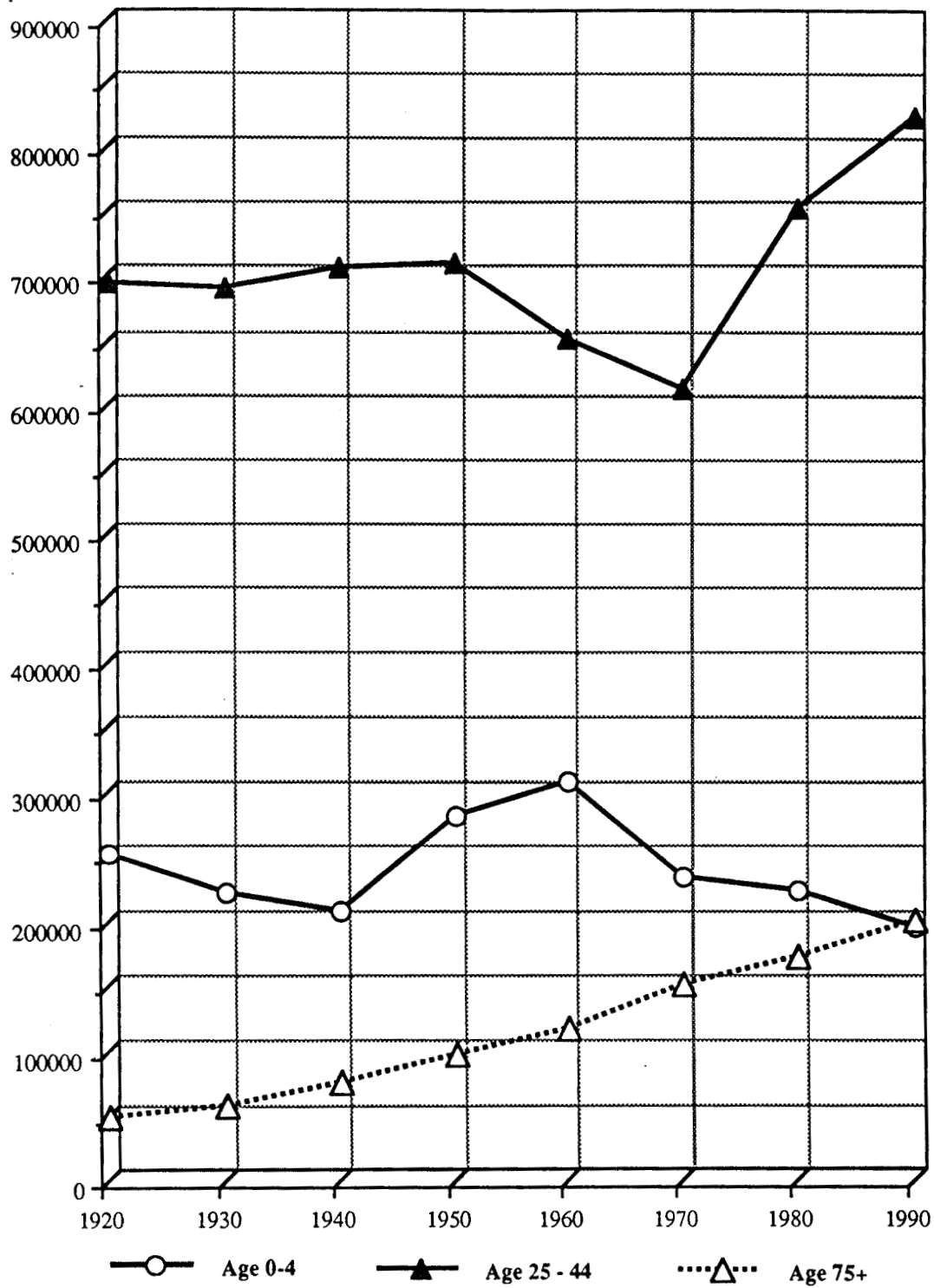
SOURCE: U.S. Department of Agriculture, Economic Research Service, April 1990

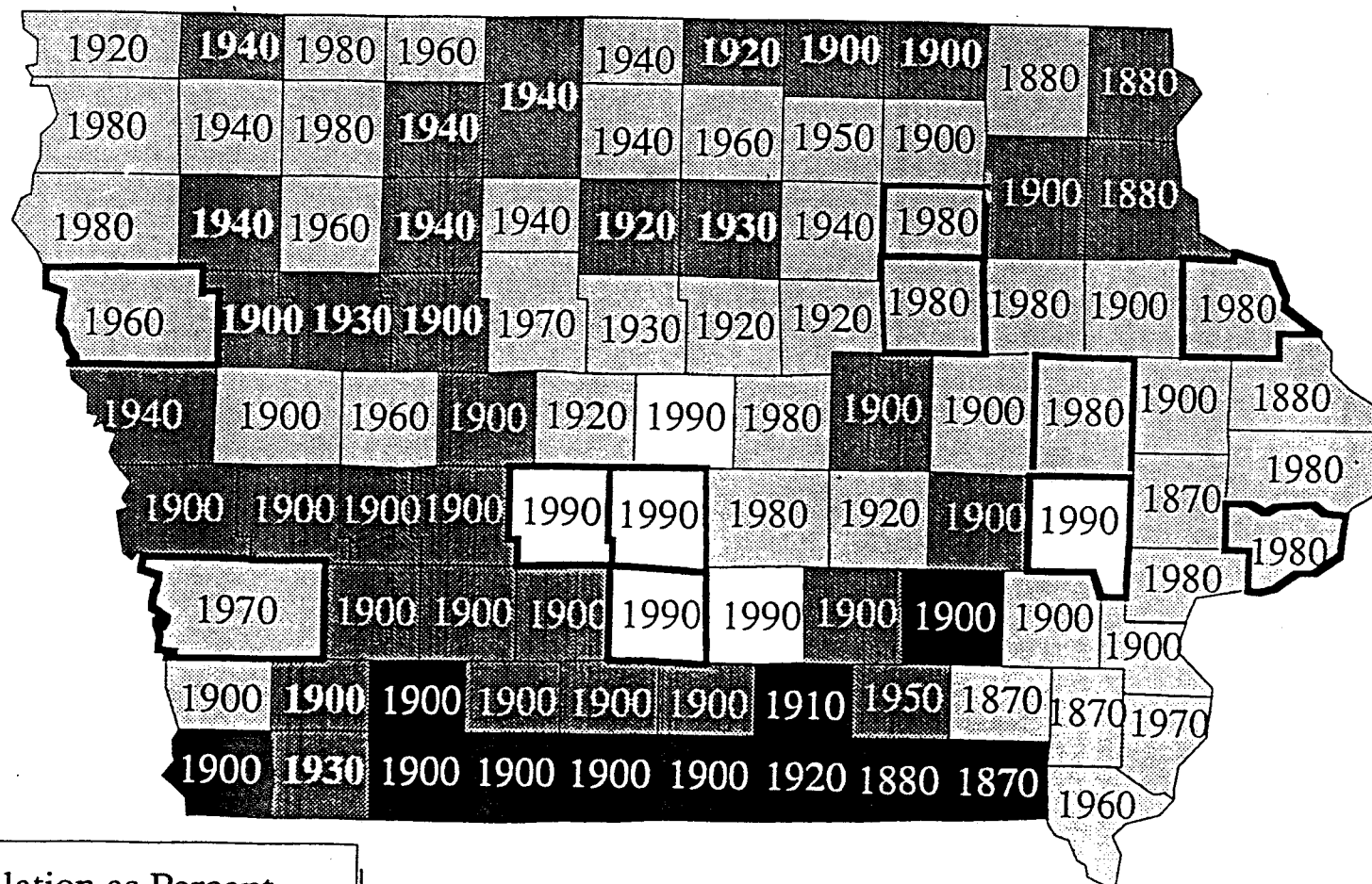
Number and Average Size of Farms in Iowa 1940 - 1988

Year	Number of Farms	Average Size (Acres)
1940	213,000	160
1950	206,000	169
1960	183,000	190
1970	145,000	
1975	130,000	262
1980	119,000	284
1988	107,000	303

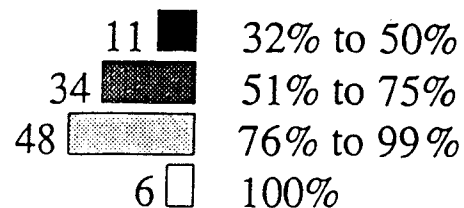
SOURCE: Iowa Department of Agriculture, Iowa Agricultural Statistics, July, 1989

Iowa's Aging Population





1990 Population as Percent
of Maximum



AN OPEN LETTER TO THE PEOPLE OF IOWA

By Governor Terry E. Branstad

Last week I announced the completion of the reduction in force in state government for this fiscal year. This action was necessary to balance the state's budget and begin to put our fiscal house in order. It was a difficult but necessary course of action to avoid a major state tax increase. My heart goes out to those people who are affected and I have initiated an outplacement program to assist them in their search for new jobs.

As Governor of the state, I have a duty to balance the interests of *all* Iowans, and I believe the majority of Iowans support the actions I have taken. The reduction in force is necessary because the state's expenditures cannot consistently exceed the taxpayer's ability to pay.

During the 117-day legislative session, I asked legislators to cut spending in order to balance the budget. The legislature left without balancing the budget and that is why I cut \$44 million through the item veto process, saved another \$100 million through a 3.25% across-the-board cut and announced the reduction in force. I have also formed a statewide committee to recommend permanent reforms in state spending.

With our state's population and personal income, state government is just too big and costly for what Iowans *can afford*. The only alternative to the item vetoes, the across-the-board cuts and the reduction in force was a major tax increase which would drive people, investments and private sector jobs out of our state. The hardworking people of Iowa must carefully match their own individual budgets to what they can afford; government must do the same. My goal is to build economic development so more Iowans can enjoy a better standard of living.

(more)

In 30 years, the size of state government has doubled while the population of the state is nearly the same. In 1960, the number of state employees for every 10,000 Iowans was 83; now that number is 167. Even more astounding is the fact that state and local government spending per capita has increased 810 percent, from \$253 per person in 1960 to \$2,303 per person in 1990.

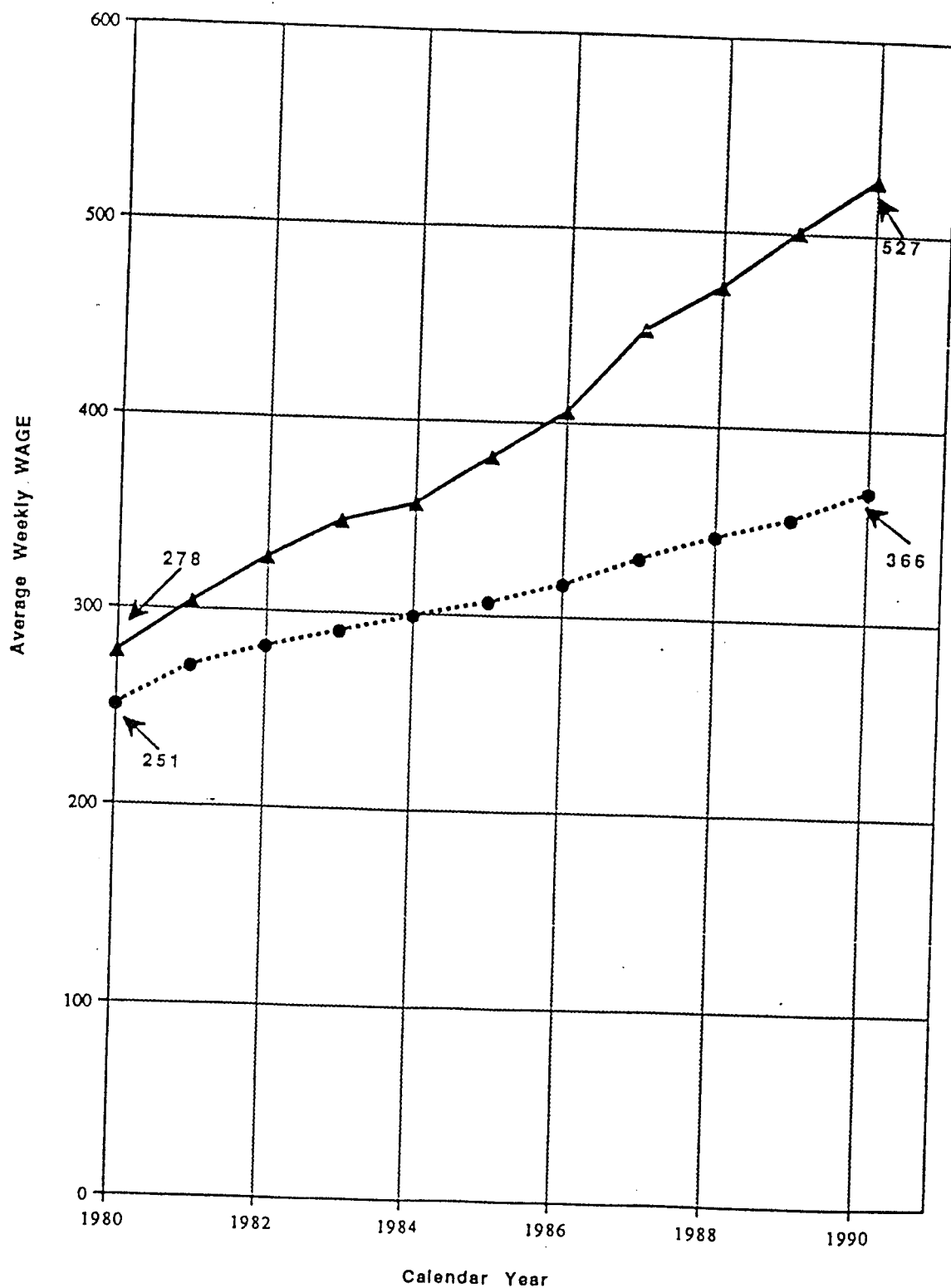
State government salaries have grown much faster than Iowans' salaries in general in the past decade. The average weekly pay for state employees went from \$278 in 1980 to \$527 in 1990, in contrast to the \$251 average weekly pay for all Iowans in 1980 and \$366 in 1990. In the difficult decade of the 1980s, state employees received salary increases in nine of the past ten years.

The percentage increase in the governor's salary over the past decade was only half that of state employees. Contrary to what some have said, I did not receive a salary increase this year. In fact, because I have not requested the increases that other state employees received, there are now 1,057 state employees making more than the Governor; there were only 27 in 1983 when I first took office.

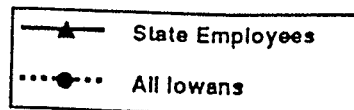
I have taken firm action to fulfill my constitutional and statutory responsibility to balance the budget. The federal government and many other states are facing similar budget problems. By taking action now, I want to restore Iowa to a position of fiscal solvency and lead the rest of the nation in that direction. I am confident that I have acted in the best interest of the citizens of the state of Iowa, and I appreciate the many Iowans who have expressed their support for these tough decisions.

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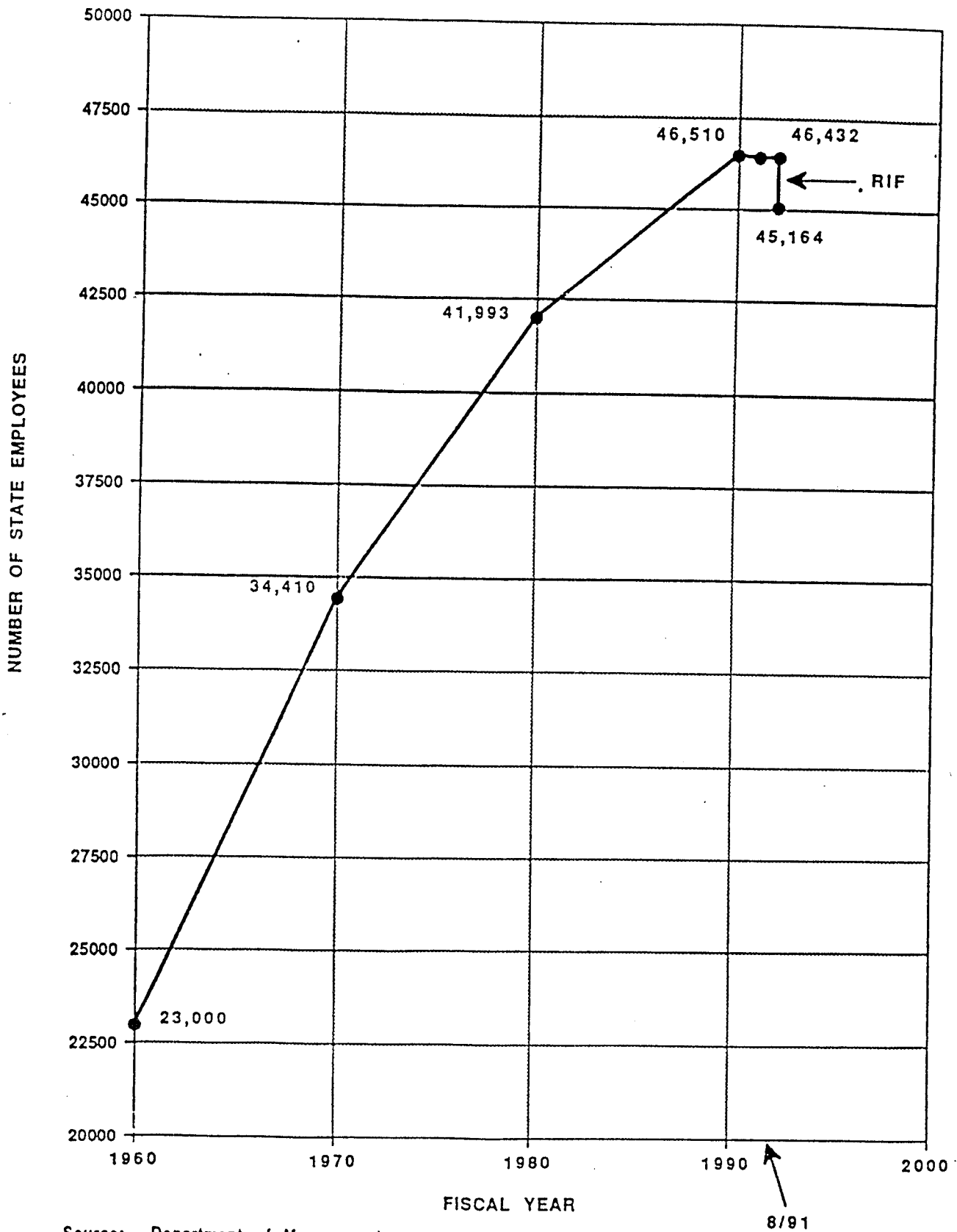
AVERAGE WEEKLY WAGES IN IOWA



Source: Department of Employment Services



LEVEL OF STATE EMPLOYMENT



Source: Department of Management

GOVERNOR'S COMMITTEE
ON
GOVERNMENT SPENDING REFORM

COMMITTEE DIRECTORY

COMPILED BY THE IOWA DEPARTMENT OF MANAGEMENT
AUGUST 15, 1991

8/8/91

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Allen

September 27, 1991

TO: Task Force Members/Executive Committee Members

FROM: Mike Lipsman, Jo Page

Please find attached the preliminary quantification of the scope of each of the task forces. The purpose of "scoping" is to provide a baseline for setting task force spending reduction targets and a context for prioritization of opportunities.

The scoping is presented in four exhibits. Exhibit 1 provides a summary description of the scope of each task force along with example programs or activities that are being reviewed.

Exhibit 2 summarizes the General Fund appropriations that are within the scope of each of the task forces. This exhibit also shows the 10%, 20%, 40% spending reduction targets being addressed by each task force. The summation of the dollar amounts assigned to each task force exceeds total General Fund appropriations. This is due to double counting of activities that will be reviewed by more than one task force.

The overlap of task forces reviewing specific areas is warranted because different task forces will be looking for different types of opportunities. For example, correctional facilities will be reviewed by both the Statewide Service Delivery task force and the Privatization task force. The Statewide Service Delivery task force will be reviewing methods to improve the effectiveness and efficiency of the current state-run correctional facilities, while the Privatization task force will be examining whether correctional facilities should be outsourced.

Please note that the dollar amounts used for this exercise represent an estimate of 1993 expenditures. This estimate was constructed by adding "built-in" increases to the 1992 approved budget. The detail of the "built-in" increases is provided in exhibit 3.

We realize that the General Fund represents only a portion of the total funds spent in Iowa. We are currently working to understand the total amount of this spending and assign it to task forces as well. This effort should be completed by the middle of next week, and we will send that information to you as well.

Exhibit 4 provides the detailed mapping of budget items to task forces. Individual departmental budget items are shown on a task force by task force basis.

Since this scoping is only for expenditures, some opportunities for eliminating the budget gap are missing. For example, the Collections task force will be looking for opportunities to reduce outstanding receivables in addition to reducing the operational cost of collections. Also, the Intergovernmental Relations task force will be looking at increasing the State's revenues by increasing Federal funding.

We will refine the scoping with your input to correct inappropriate mappings and to reflect changes in task force scope. While we have attempted to be as precise as possible, there are several points of clarification and outstanding issues for each of the task force mappings:

Public Finance task force: Public Finance currently includes educational assistance funding for K through 12 and Medicaid. This task force may expand their scope to include juvenile justice, mental health, foster care, etc., however, these areas are currently included in the scope of the Statewide Service Delivery task force.

Statewide Service Delivery task force: Only the funds spent on the direct provision of services by the state have been included here. Services paid for by the State, but provided by local government, are not included

Executive Branch task force: The scope of this task force consists primarily of management processes, e.g. planning, budgeting, and personnel management. As a result, the scope quantification includes the cost of operating the Personnel and Management departments. However, we expect that the impact of changes in management processes will have a much broader impact than on just these costs. As additional areas of influence are defined, we will add them to the Executive Branch scope.

Privatization task force: Only activities that have been both identified as potential outsourcing opportunities and whose cost was identifiable by reviewing the departmental budgets were included within the scope of the Privatization task force. For example, expenditures for correctional facilities were mapped to the Privatization task force, however the cost of data processing was mapped to Privatization for only those departments that identified data processing as a budget line item.

September 27, 1991

Page 3

Collections task force: Collection efforts are highly fragmented and, in many cases, are not specifically identified in the department budgets. As a result, not all the dollars associated with collections efforts have been identified. In addition, reduction of past due receivables balances and reduction of allowance for uncollectible accounts represent major opportunities, however information on these is not yet available.

Intergovernmental task force: The magnitude of the scope of this task force is the largest of any of the task forces when total statewide expenditures are included. This scope includes those organizations involved in two areas: federal fund receipts, and the delivery and administration of services at the local government level. While we have identified the scope of the Intergovernmental spending, we have not yet separately identified the scope of total Federal funds receipts.

Technology Enhancement task force: Funds for technology programs, e.g. computer, communications networks, as well as budgets for data processing organizations were included in this scope. Similar to collections, technology enhancement efforts are fragmented and sometimes not explicitly identified as line items in departmental budgets.

These are preliminary mappings, but will be sufficient for each task force to begin identifying and quantifying opportunities. The coordinators, analysts and Booz•Allen team members will identify and coordinate areas of overlap among task forces to prevent duplication of effort.

Each task force should review and modify the quantification of their scope and contact Mike Lipsman or Jo Page at (515) 281-7603 with comments or suggestions.

EXHIBIT 1
TASK FORCE SCOPE

TASK FORCE	SCOPE DEFINITION	EXAMPLES
Public Finance	Standing appropriations	<ul style="list-style-type: none"> • Medicaid and other Human Services • K-12 • Local government financing • Use tax on motor vehicles • Tax expenditures
Statewide Service Delivery	State government provided services (excludes funding medicaid and K-12)	<ul style="list-style-type: none"> • State universities/area colleges • Road maintenance • Social services • Unemployment services • REAP program • Indigent defense
Executive Branch	Management processes	<ul style="list-style-type: none"> • Budgeting • Planning • Personnel management • Regulation • Organization structure
Privatization	Outsourcing and asset sales	<ul style="list-style-type: none"> • Veterans hospitals • Security services • Correctional facilities • Data processing • Liquor warehousing & delivery • Janitorial services • WOI • Vehicle maintenance
Collections	Collection of state receivables	<ul style="list-style-type: none"> • Income tax • Sales tax • Use taxes (catalog sales) • Unpaid college loans • Child support • Fees • Unpaid court fines
Intergovernmental Relations	Local government spending and federal funding	<ul style="list-style-type: none"> • Federal aid • State-county-city service consolidation
Technology Enhancement	Computer systems and information networks	<ul style="list-style-type: none"> • Data processing centers • Iowa Communications Network • Use of technology to delivery services

*Note: 1993 projected based on 1992 approved expenditures plus built-in increase for 1993
See Exhibit 2 for list of built-ins

167-34746.3L /DL

EXHIBIT 2
QUALIFICATION OF TASK FORCE SCOPE

TASK FORCE	SCOPE (\$MILLIONS)							
	GENERAL FUND APPROPRIATIONS	10%	20%	40%	TOTAL STATE EXPENDITURES	10%	20%	40%
Public Finance	\$2,045	\$205	\$409	\$818	TO BE DETERMINED			
Statewide Service Delivery	472	47	94	189				
Executive Branch	733	73	146	293				
Privatization	256	26	51	102				
Collections	14	1	3	6				
Intergovernmental Relations	96	10	19	38				
Technology Enhancement	<u>27</u>	<u>3</u>	<u>5</u>	<u>11</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u><u>\$3,643</u></u>	<u><u>\$365</u></u>	<u><u>\$727</u></u>	<u><u>\$1,457</u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

*Note: Does not equal projected 1993 General Fund appropriations of \$3,465 million due to double counting.

167-34767.1J /DL

PROJECTED 1993 BUDGET

Four "built-ins" represent over two-thirds of the total increase

APPROPRIATION	1993 VS. 1992 (\$ Millions)	PERCENT OF TOTAL BUILT-IN INCREASE
Revised 1992 Budget	\$3,217.4	
Built-In Increases		
School Aid	\$99.3	40.1%
Medicaid	28.5	11.5%
Mental Health	20.1	8.1%
Resource Enhancement and Protection Fund	19.1	7.7%
Merged Area Schools	17.0	6.9%
Insurance Reserves	12.0	4.8%
Corrections	10.8	4.4%
Foster Care	8.3	3.4%
Educational Excellence	6.6	2.7%
Courts	5.0	2.0%
Capitals	5.0	2.0%
Regents-Tuition Replacement	4.3	1.7%
Standings	2.5	1.0%
Instructional Support	2.5	1.0%
Telecommunications	2.0	0.8%
Juvenile Justice	1.5	0.6%
Aid to Dependent Children	1.3	0.5%
Child Development	1.0	0.4%
State Supplementation	0.8	0.3%
Total Built-In Increases	\$247.6	100.0%
Projected 1993 Budget	\$3,465.0	

EXHIBIT 4

Detail Mapping

- Public Finance**
- Statewide Service Delivery**
- Executive Branch**
- Privatization**
- Collections**
- Intergovernmental Relations**
- Technology Enhancement**

FISCAL YEAR 1993 GENERAL FUND ESTIMATE
PUBLIC FINANCE TASK FORCE RESPONSIBILITY

Description	AMOUNT (\$MIL)
ADMINISTRATION	
Personnel, Dept. of:	
Worker's Compensation	5.96
Revenue & Finance	
Ag Land Tax Credit	41.67
Property Tax Replacement Program	59.92
Sales Tax Fees & Costs	0.17
Homestead Tax Credit	99.61
Extraordinary Prop Tax Reimbursement	11.49
Peace Officer's Retirement	3.10
Franchise Tax Reimbursement to Counties	9.39
Military Service Tax Credit	2.97
Insurance Reserves	12.00
TOTAL ADMINISTRATION	240.32
EDUCATION	
College Aid Commission	
Tuition Grant Program	31.42
Education, Department of:	
Voc Youth Org	0.04
School Food Service	2.96
Textbook-NonPublic	0.58
Voc Ed Secondary	3.55
Merged Area-General Aid	103.51
Merged Area Gen Aid-4	16.11
MAS Property Tax Replacement	1.14
Program for Ed. Excellence	98.88
School Foundation Aid	1195.00
Instructional Support Levy	15.00
Transportation-NonPublic	5.96
Independent Living	0.02
Child Development-New	11.70
Regents, Board of:	
Tuition Replacement	22.99
TOTAL EDUCATION	1508.86
HUMAN SERVICES	
Human Services, Dept. of:	
Commission of Inquiry	0.01
Non-Res Transfer of Mentally Ill	0.00

Non-Res. Commitment	0.11
Medical Assistance	270.03
Medical Contracts	4.21
Juvenile Justice-County Based	5.12

TOTAL HUMAN SERVICES	279.48

JUSTICE

Corrections, Dept. of:	
Phase I Bond Payment	0.61
Phase II Bond Payments	3.16
State Cases	0.07

TOTAL JUSTICE	3.84

TRANSPORTATION AND SAFETY

Public Defense, Dept. of	
Compensation & Expense	0.04
Transportation, Dept. of:	
Public Transit	6.61

Total Transportation and Safety	6.65

	=====
TOTAL PUBLIC FINANCE BUDGET	2045.11

FISCAL YEAR 1993 GENERAL FUND ESTIMATE
STATEWIDE SERVICE DELIVERY TASK FORCE

Description	AMOUNT (\$MIL)
AGRICULTURE AND NATURAL RESOURCES	
Agriculture & Land Stewardship	
Farm Commodity Div.	0.88
Farmer's Market Coupon Prog	0.19
Laboratory Div.	0.70
Psuedorables Eradication	0.39
Soil Consv. Operations	4.97
Soil Consv. Cost Share	5.98
Lamb and Wool	0.19
Intst Grain Compact	0.06
Natural Resources	
Energy & Goelogy	1.28
Forestry Division	1.56
Parks Division	5.20
Green Thumb Program	0.25
REAP Fund	27.23
Marine Fuel Tax Capital	2.54
TOTAL AGRICULTURE AND NATURAL RESOURCES	51.42
ECONOMIC DEVELOPMENT	
Economic Development, Dept. of:	
Human Capital Investment Program	0.97
Capital Formation Account:	
Community Econ Dev Fund	3.64
Product Development	0.97
Micro Enterprize Fund	0.70
Technology Trans Account:	
Wallace Foundation	2.57
Internet	0.50
Community Development/Infra	
Welcome Centers	0.34
Workforce Account:	
Retraining	0.97
Youth Workforce Programs	1.22
Iowa Corp	0.10
RC 2000	1.55
Housing Finance:	
Housing Assist	0.87
Rural Community 2000	0.87
Housing Program:	
Homeless Shelters	0.97
TOTAL ECONOMIC DEVELOPMENT	16.23

EDUCATION

Blind, Department for the	1.37
College Aid Commission	
Aid to Med.-Ost (Grants)	0.39
Aid to Med.-Ost (Subvention)	0.42
College Work-Study Program	2.98
Tuition Grant Program	31.42
Scholarship Program	0.79
Voc Tech Tuition Grnt	1.27
Student Aid Programs	1.81
Natioal Guard Program	0.22
Cultural Affairs, Dept. of:	
Iowa Arts Council	1.13
State Historic Society	2.56
State Library	2.11
Regional Libraries	1.55
Cultural Grants	0.76
Town Square	0.06
Education, Department of:	
Vocational Rehabilitation	3.56
Regents, Board of:	
Indigent Patient Program	27.65
Psychiatric Hosp	6.59
Hygenic Lab	2.88
Hospital Schools	5.20
Oakdale Campus	2.77
Family Practice Program	1.73
SCHS-Hemophelia, Cancer	0.41
ISU-Ag Experiment Station	17.20
ISU-Agricultural Research	3.82
ISU-Cooperative Extension	16.12
ISU Fire Service Inst	0.40
ISU-Leopold Center	0.57
Livestock Disease Res	0.28

TOTAL EDUCATION	138.04

HEALTH AND HUMAN RIGHTS

Elder Affairs, Dept. of:	
Area Agencies on Aging	0.16
Elderly Services Program	1.41
Retired Iowan Employment	0.10
RSVP	0.07
Alzheimer's Disease	0.07
LTC Advocate & Care Services	0.12

Health, Dept. of Public:	
Health Planning	0.40

Disease Prevention	2.33
SIDS	0.01
Well Elderly Clinics	0.59
Fam. & Comm. Health	4.21
Local Public Health Nursing	2.51
Homemaker	8.59
Substance Abuse Program Grants	8.20
Emergency Medical Services	0.94
Office of Rural Health	0.13
Primary Health Care	0.13
Physician Care for Children	0.41
Drug Package:	
Aftercare	0.19

Human Rights, Dept. Of	
Children, Youth and Family	
Deaf Services Division	0.29
Persons with Disabilities	0.17
Spanish Speaking	0.09
Status of Women	0.33
Status of Blacks	0.08
Criminal & Juvenile Justice	0.34

TOTAL HEALTH AND HUMAN RIGHTS	31.86

HUMAN SERVICES

Human Services, Dept. of:	
Community Services	40.02
Child Support Recoveries	3.03
Aid to Dependent Children	43.54
Promise Jobs	4.10
Aid to Indians	0.04
State Supplementation	19.80
MH/MR/DD Special Services	0.37
Volunteers	0.09
Community Based Services	3.85
Transitional Child Care	0.31
Child Care Services	7.10
Social Services Block Grant	4.48
Foster Care	65.79
Family Support	0.65
DD Family Grants	0.05
Homebased Services	19.06
Child Protection	0.54
Housing Emergency Assistance	0.48
Gamblers Assistance	0.39

TOTAL HUMAN SERVICES	213.71

JUSTICE

Judicial Dept.	
Juv. Vict. Restitution	0.10

TOTAL JUSTICE

0.10

REGULATION

Inspections and Appeals
Foster Care Review Bd.
Public Defender
Indigent Defense

0.26
6.18
9.10

TOTAL REGULATION

15.53

TRANSPORTATION AND SAFETY

Public Defense, Dept. of
War Orphans Education

0.01

Transportation, Dept. of:
Rail and Air Projects

5.06

Total Transportation and Safety

5.07

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471.96

FISCAL YEAR 1993 GENERAL FUND ESTIMATE
EXECUTIVE BRANCH REVIEW TASK FORCE

Description	AMOUNT (\$MIL)
ADMINISTRATION	
Executive Council	
Operations	0.04
Court Costs	0.08
Public Improvement	0.00
Habeas Corpus	0.02
Performance of Duty	2.50
Legislative Branch	
Nat. Conf of St Leg	0.08
House	6.38
Senate	3.90
Joint Expenses	0.50
Admin Rules Comm	0.06
Citizens Aide	0.59
Leg Fiscal Bureau	1.42
Leg Service Bureau	3.26
Uniform St Laws	0.02
General Services	
Operations	
Adminstration	0.57
Materials Management	0.08
Property Managment	3.67
Printing and Mail	0.47
Records Management	0.39
Utilities	1.76
Rental Space	0.53
Fire Safety	0.06
Misc Capitals	5.00
Governor's Office	
General Office	1.00
Terrace Hill Quarters	0.09
National Governor's Association Dues	0.08
Admin Rules Coordinator	0.09
Drug Czar	0.15
Governor, Lieutenant	0.00
Management, Dept. of:	
Operations	1.52
Training Reimbursements	0.11
Council of State Governments	0.07
Indian Settlement Officer	0.02

Appeals Board	3.85
Personnel, Dept. of:	
Operations	
Administration	1.12
Field Operations	1.29
Project Manager	1.07
Workers Comp Administration	0.14
Revenue & Finance	
Operations	
Administration	1.00
Audit And Compliance	10.63
Financial Management	6.53
Local Government Services	1.34
Technical Services	2.10
Insurance Trust	0.34
Security Deposit	0.48
Unemployment Compensation	2.24
Secretary of State	
General Office	2.05
State-Federal Relations, Office of	0.21
Treasurer of State	
General Office	0.77
World Peace Prize	0.24

TOTAL ADMINISTRATION	69.93
::	
AGRICULTURE AND NATURAL RESOURCES	
Agriculture & Land Stewardship	
Administration Div.	1.05
Regulatory Div.	3.75
Revolving Fund Transfers	3.36
Natural Resources	
Operations	
Director	0.05
Administrative Services	1.54
Coordination & Information	0.70
Environmental Protection	1.91
Reimbursement to USGS	0.18
Fish & Game Trust Non SF546	0.58
Non-SF546 Marine Fuel Tax Capital	0.73
Energy Res & Dev	0.15

TOTAL AGRICULTURE AND NATURAL RESOURCES	14.00

ECONOMIC DEVELOPMENT

Economic Development, Dept. of:

General Office	0.85
Tourism Promotion	0.72
Tourism Advertising	2.46
International Marketing	0.53
German Office	0.28
Hong Kong Office	0.25
Japan Office	0.29
Mississippi River Parkway	0.02
Peace Institute	0.10
Community Dev. Block Grant	0.31
National Marketing Advertising	2.90
Film Office	0.18
Small Business Program	0.23
Targeted Small Business	0.05
Community Progress	0.45
Export Assistance	0.34
Procurement Office	0.10
Sister State	0.10
Capital Formation Account:	
Community Econ Dev Fund	3.64
Product Development	0.97
Micro Enterprize Fund	0.70
Technology Trans Account:	
Wallace Foundation	2.57
Internet	0.50
Primary Research/Computer Cent	0.34
Community Development/Infra	
Satelite Centers	0.74
Bus/Rural Incubators	0.08
Workforce Account:	
Labor/management	0.20

TOTAL ECONOMIC DEVELOPMENT	19.87

EDUCATION

College Aid Commission	
General Office	0.33
Cultural Affairs, Dept. of:	
State Historic Society	2.56
State Library	2.11
Terrace Hill	0.17
Administration	0.41
Iowa Public Television	6.16
Education, Department of:	
Administration	5.38
Voc Ed Salaries & Support	0.84
Board of Educ Examiners	0.12

Regents, Board of:	
Board Office	1.08
Tri State Extension Program	0.07
Co Bluffs Graduate Center	0.04
Quad Cities Grad Center	0.15
University of Iowa General	169.80
Tumar Registry	0.18
Ag Health & Safety	0.24
Child Care	0.06
Sub Abuse Consortium	0.06
Iowa State General	138.21
Child Care	0.06
Northern Iowa General	56.71
Child Care	0.06
Iowa Braille & Sight Svg	3.24
School for Deaf	5.82

TOTAL EDUCATION	393.84

HEALTH AND HUMAN RIGHTS	
Civil Rights Commission	1.00
Elder Affairs, Dept. of:	
State Administration	0.42
Health, Dept. of Public:	
Central Administration	0.72
Professional Licensure	0.58
Substance Abuse	0.48
Dental Examiners	0.21
Medical Examiners	0.90
Nursing Board	0.73
Pharmacy Examiners	0.57
Health Data Clearinghouse	0.29

TOTAL HEALTH AND HUMAN RIGHTS	5.89

HUMAN SERVICES	
Human Services, Dept. of:	
General Administration	8.93
Disabilities Policy Board	0.03

TOTAL HUMAN SERVICES	8.95

JUSTICE

Attorney General	
General Office	4.27
Consumer Advocate	1.94

Corrections, Dept. of:

Central Office	2.07
Training Center	0.36
Ft. Madison	21.12
Anamosa	15.63
Oakdale	13.29
Newton	4.01
Mt. Pleasant	11.23
Rockwell City	3.86
Clarinda	5.15
Mitchellville	4.61

Judicial Dept. General

78.20

Parole Board

0.74

TOTAL JUSTICE

166.48

REGULATION

Auditor of State	1.55
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Campaign Finance Disclosure Comm Operations

0.26

Commerce:

Administration	1.42
Alcoholic Beverages	3.34
Banking	5.64
Credit Union	0.92
Insurance	4.26
Self Insurance Examiner	0.05
Professional Licensing	0.83
Utilities	4.69

Employment Services, Dept. of:

Industrial Services	2.00
Labor Services	2.49

Inspections and Appeals

Operations	
Finances & Services	0.56
Audits	0.63
Appeals & Fair Hearings	0.36
Investigations	0.44
Health Facilities	1.56
Inspection	0.88
Foster Care Review Bd.	0.26

Employment Appeal Board	0.05
Racing and Gaming Comm	2.24
Public Employment Relations Board	0.66

TOTAL REGULATION	35.10
TRANSPORTATION AND SAFETY	
Law Enforcement Academy	
Operations	0.96
Public Defense, Dept. of	
Operations	3.30
Veterans Affairs	0.14
Disaster Services	0.31
Public Safety, Dept. of:	
Administration	2.32
DCI	6.73
Narcotics Enforcement	2.08
Fire Marshall	1.38
Capitol Security	1.10
Pari-Mutuel Enforcement	0.28
Transportation, Dept. of:	
Aeronautics/Public Transit	0.42

TOTAL TRANSPORTATION AND SAFETY	18.99
	=====
	733.06

FISCAL YEAR 1993 GENERAL FUND ESTIMATE
PRIVATIZATION TASK FORCE RESPONSIBILITY

Description	AMOUNT (\$MIL)
ADMINISTRATION	
General Services	
Operations	
Property Managment	3.67
Printing and Mail	0.47
Records Management	0.39
Rental Space	0.53
Revenue & Finance	
Operations	
Audit And Compliance	10.63
TOTAL ADMINISTRATION	15.69
EDUCATION	
Education, Department of:	
Penal Institution Programs	2.05
TOTAL EDUCATION	2.05
HEALTH AND HUMAN RIGHTS	
Human Rights, Dept. Of	
Deaf Services Division	0.29
Persons with Disabilities	0.17
Spanish Speaking	0.09
Status of Women	0.33
Status of Blacks	0.08
Criminal & Juvenile Justice	0.34
TOTAL HEALTH AND HUMAN RIGHTS	1.30
HUMAN SERVICES	
Human Services, Dept. of:	
Toledo Juvenile Home	4.55
Eldora	7.81
Marshalltown	28.72
Cherokee	14.44
Clarinda	7.39
Independence	15.49
Mt. Pleasant	8.96

MHI Adjustment	0.00
Glenwood	37.87
Woodward	31.01

TOTAL HUMAN SERVICES	156.24

JUSTICE

Corrections, Dept. of:

Ft. Madison	21.12
Anamosa	15.63
Oakdale	13.29
Newton	4.01
Mt. Pleasant	11.23
Rockwell City	3.86
Clarinda	5.15
Mitchellville	4.61

TOTAL JUSTICE	78.89

TRANSPORTATION AND SAFETY

Public Safety, Dept. of:

Capitol Security	1.10
Pari-Mutuel Enforcement	0.28

TOTAL TRANSPORTATION AD SAFETY	1.38

TOTAL PRIVATIZATION TASK FORCE	=====	255.55
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FISCAL YEAR 1993 GENERAL FUND ESTIMATE
COLLECTIONS TASK FORCE RESPONSIBILITY

Description	AMOUNT (\$MIL)
ADMINISTRATION	
Revenue & Finance	
Operations	
Audit And Compliance	10.63
TOTAL ADMINISTRATION	10.63
EDUCATION	
College Aid Commission	
Aid to Med.-Ost (Grants)	0.39
Aid to Med.-Ost (Subvention)	0.42
Student Aid Programs	1.81
Natioal Guard Program	0.22
TOTAL EDUCATION	2.83
REGULATION	
Inspections and Appeals	
Investigations	0.44
TOTAL REGULATION	0.44
TOTAL COLLECTIONS TASK FORCE	13.90

FISCAL YEAR 1993 GENERAL FUND ESTIMATE
INTERGOVERNMENTAL RELATIONS TASK FORCE RESPONSIBILITY

Description	AMOUNT (\$MIL)

ADMINISTRATION	
Legislative Branch	
Nat. Conf of St Leg	0.08
House	6.38
Senate	3.90
Misc	0.00
Joint Expenses	0.50
Admin Rules Comm	0.06
Citizens Aide	0.59
Leg Fiscal Bureau	1.42
Leg Service Bureau	3.26
Uniform St Laws	0.02
 Governor's Office	
Drug Program:	
Sub Abuse Inform Center	0.04
 Revenue & Finance	
Peace Officer's Retirement	3.10
Mental Health County Reimbursement	30.16

TOTAL ADMINISTRATION	49.49
 ECONOMIC DEVELOPMENT	
Economic Development, Dept. of:	
Community Development/Infra	
Rural Emterprize Fund	0.72
Mainstreet/Rural Mainstreet	0.35
COG Assistance	0.29
Workforce Account:	
RC 2000	1.55

TOTAL ECONOMIC DEVELOPMENT	2.91
 HUMAN SERVICES	
Human Services, Dept. of:	
Enhanced MH/MR/DD(BOR)	2.55
Juvenile Justice-County Based	5.12

TOTAL HUMAN SERVICES	7.67
 JUSTICE	
Attorney General	
Farmers Mediation Service	0.10
Farmer's Legal Assistance	0.10
Prosecuting Attorney Training	0.13

Drug Enforcement Training	0.10
Victim Assistance Grants	1.35

Corrections, Dept. of:

CBC District 1	5.45
CBC District 2	3.86
CBC District 3	2.39
CBC District 4	1.94
CBC District 5	6.93
CBC District 6	5.41
CBC District 7	3.78
CBC District 8	3.07
CBC Statewide	0.09
County Confinement	0.24
Federal Prisoners/Contractual	0.35

TOTAL JUSTICE	35.29
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TRANSPORTATION AND SAFETY

Public Safety, Dept. of:

Undercover Funds	0.25
DARE Program	0.03

TOTAL TRANSPORTATION AND SAFETY	0.28
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TOTAL INTERGOVERNMENTAL RELATIONS TASK FORCE	95.63
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FISCAL YEAR 1993 GENERAL FUND ESTIMATE
TECHNOLOGY ENHANCEMENT TASK FORCE RESPONSIBILITY

Description	AMOUNT (\$MIL)

ADMINISTRATION	
Legislative Branch	
Leg Computer Bureau	1.35
General Services	
Communications	0.16
Info Svcs. Division	6.64
Revenue & Finance	
Operations	
Information And Management	1.94
Secretary of State	
General Office	2.05

TOTAL ADMINISTRATION	12.15
ECONOMIC DEVELOPMENT	
Economic Development, Dept. of:	
Technology Trans Account:	
Wallace Foundation	2.57
Internet	0.50
Primary Research/Computer Cent	0.34

TOTAL ECONOMIC DEVELOPMENT	3.41
EDUCATION	
Cultural Affairs, Dept. of:	
Telecommunications	4.84
Regents, Board of:	
SBDC'S	1.15
IPRT	0.29
Center for Biocatalysis	0.29

TOTAL EDUCATION	6.57
JUSTICE	
Judicial Dept.	
ICIS Computer	0.88

TOTAL JUSTICE	0.88
TRANSPORTATION AND SAFETY	
Public Safety, Dept. of:	
Communications	3.04
AFIS	0.50

TOTAL TRANSPORTATION AND SAFETY

3.54

=====

TOTAL TECHNOLOGY ENHANCEMENTS
TASK FORCE

26.54



TERRY E. BRANSTAD, GOVERNOR

DEPARTMENT OF MANAGEMENT

DATE: October 9, 1991

TO: Larry Sigel
Legislative Fiscal Bureau

FROM: Gretchen Tegeler, Acting Director *MT*
Department of Management

RE: Hiring and Compensation of Booz-Allen

This memo is written in response to your request of September 27 concerning the hiring of the consulting firm of Booz-Allen & Hamilton to assist the Governor's Committee on Government Spending Reform.

It became clear to the Committee that the challenge of developing sound recommendations to address the state's fiscal dilemma required not only the experience and expertise of Committee Members and state government personnel, but also the experience and expertise of a management consulting firm. The Booz-Allen & Hamilton firm was selected by the Executive Committee of the Governor's Spending Reform Committee as the firm which would be best able to assist us with the project. The cost of the assistance to be provided will range between \$365,000 to \$390,000, depending on the cost of expenses. I will be happy to provide you with a copy of the final contract once I receive it.

In seeking to raise funds from the private sector to pay the consultant's fee, the Chairman of the Committee, Mr. David Fisher, was asked by many potential contributors whether the state was willing to help pay for the cost of the consultant's fee. There was a very strong feeling that the private sector and state government should work together to provide direct funding. Without such a partnership, the likelihood of being able to raise the necessary funds was infeasible. Mr. Fisher shared this concern with the Governor's Office.

A total of between \$100,00 and \$135,000 in state funds will be contributed to help pay the consultant's fee. As you can see, state funds will comprise between one-quarter and one-third of the funding for the consulting fees with the remainder coming from private contributions. The state funds are coming from the planning and administration budgets of a number of departments. Allocation of such funds to pay for consulting is in line with the purposes for which those funds were appropriated. Some federal funds are included. A preliminary list of the departments who are contributing and the amount that each has tentatively agreed to contribute is shown on the following page.

Memo to Larry Sigel
October 9, 1991
Page 2

While we considered sending a request for proposal, the short time frame of this project was prohibitive. Sole source provisions obviate the need for a request for proposal in several situations, including one applicable in this case where normal selection procedures would have unduly delayed the initiation of critically needed work.

It is through the commitment of government and the corporate community that we can hope to realize a sound financial future for the State of Iowa. And I look forward to working with the Legislature this coming session to help see that a sound financial future is on the horizon.

Detail of State Department Contributions

Transportation	\$75,000
Employment Services	25,000 (federal dollars)
Human Services	10,000
Commerce	10,000
Cultural Affairs	4,000
Public Health	4,000
Public Safety	2,000
Economic Development	2,000
Public Defense	1,000

Please feel free to contact me if I can be of further assistance.

GT/jm

cc: Dave Roederer
Dennis Prouty

1-7-92

CONTRIBUTORS TO CONSULTANTS' FEES
FOR
GOVERNOR'S COMMITTEE ON
GOVERNMENT SPENDING REFORM

<u>Company</u>	<u>Amount Contributed</u>
AEGON, USA	\$ 3,500.00
American Life & Casualty Ins. Co.	1,000.00
American Mutual Life Insurance Co.	2,000.00
American Republic Insurance Co.	1,000.00
Central Life Assurance Company	2,000.00
Century Companies of America	2,000.00
Employers Modern Life	500.00
Equitable Life of Iowa	2,000.00
Farm Bureau Insurance	3,500.00
Farmland Insurance	500.00
Grinnell Mutual Group	250.00
Homesteaders Life Company	250.00
Interstate Assurance Company	500.00
National Travelers Life Company	500.00
Preferred Risk Life Ins. Co.	250.00
The Principal Financial Group	25,000.00
South Central Iowa Federation of Labor, AFL-CIO	100.00
Master Builders of Iowa	10,000.00
Deere & Co.	10,000.00
Iowa Utility Association	75,000.00
Iowa Assoc. of Business & Industry	50,000.00
E & M Charities	10,000.00
Robert M. Sturgeon	500.00
FIRSTAR Corporation of Iowa	10,000.00
Iowa Insurance Institute	25,000.00
Governor's Economy Committee '79	17,435.12
State of Iowa	133,000.00
	<hr/>
	385,785.12

GOVERNOR'S COMMITTEE ON GOVERNMENT SPENDING REFORM
"TOP 21"

1. Require payments of debts to the State prior to receipt of licenses and expand the use of offsets
2. Centralize State collections efforts
3. Sale of State owned farm land and the DNR nursery
4. Establish a youth correctional facility
5. Develop an Enterprise plan for technology
6. Knowledge based system for DHS eligibility assessment
7. Common management/consolidation of data processing centers
8. Comprehensive K-12 education finance reform
9. Use provider funds to leverage Medicaid dollars
10. Adopt a mental health funding formula
11. Re-allocate \$50 million in motor vehicle use tax revenues to the General Fund
12. Close the mental health institutes in Clarinda and Mt. Pleasant
13. Eliminate funding provision for the Resource Enhancement & Protection (REAP) fund
14. Reduce the number of driver's license locations from 141 to 19
15. County collaboration (30 centers)
16. Eliminate allowable growth increases created by SF2430 for community colleges
17. Create a state-wide assessment system
18. Improve the State's budgeting process
19. Restructure employee benefits
20. Restructure executive branch organization
21. Program eliminations, reductions and deferrals

GOVERNOR'S COMMITTEE ON GOVERNMENT SPENDING REFORM
SUMMARY OF OPPORTUNITIES

- Top 21 opportunities to be discussed today represent:
 - \$ 313 MM in 1993
 - \$ 428 MM in 1994
- Total task force recommendations represent:
 - \$ 385 MM in 1993
 - \$ 495 MM in 1994

Task Force: Collections

Opportunity: Require payment of debts to the State prior to receipt of licenses and expand the use of offsets (net payments with amounts due)

Pros: 1) Relatively easy to initiate
2) Targets persons with ability to pay
3) minimal startup costs

Cons: 1) Requires system changes in some agencies

Savings:	<u>1993</u>	<u>1994</u>
	\$1.5 MM	\$1.5 MM

Task Force: Collections

Opportunity: Centralize State Collections Efforts

- Pros:
- 1) Replaces some contracts with private collections agencies at lower cost
 - 2) Facilitates management of receivables by placing all outstanding past due debts in one database
 - 3) Establishes uniform collections policy and standards
 - 4) Focal point for development and utilization of collection systems such as credit bureau reporting, offsets of payments, lien filing, and automated cash handling

- Cons:
- 1) State and federal law and regulations
 - 2) Requires expenditure to implement computer, software changes and other implementation changes
 - 3) Problems with hiring qualified persons through state merit system on incentive basis

Savings:	<u>1993</u>	<u>1994</u>
	\$1.1 MM	\$9.4 MM

Task Force: Technology Enhancement

Opportunity: Enterprise plan for technology application development and use including short-term savings in FY93 from coordinated software applications development.

Major Elements:

- Development of objective measures of application development productivity
- Information systems standards
- Leasing of staff from agencies with temporary work lags to agencies in need to better match staffing levels to demand across the Enterprise
- Increased use of consultants to develop custom applications
- Greater use of off-the-shelf software
- Increased sharing of software and programs with other states and governmental subdivisions (reduced reinvention of the wheel and time on the learning curve)

Pros: 1) Improved coordination and better utilization of existing personnel resources combined with increased use of alternative development sources could yield significant short-term and long-term savings

Cons: 1) Loss of control and independence currently enjoyed by agencies having sole control over "owned" applications resources (FTEs) at agency level

Savings:

1993
\$1.0 MM

1994
\$1.0 MM

Task Force: Technology Enhancement Task Force

Opportunity: DHS X-Pert, a Knowledge Based computer application to support eligibility determination in Economic Assistance.

Pros:

- 1) Substantial reduction in long term costs
- 2) Substantial improvement in quality of service
- 3) Cost of upgrading General Services ISD mainframe may be minimized by timing and coordination with data center management changes, to reduce upgrade costs to less than \$8.9 million worst case scenario

Cons:

- 1) Up-front investment of between \$4.3-8.9 Million required in FY93 to deliver long term benefits, even with only 1 year payback period

Savings:	DHS Development Cost	\$4.3 Million
	Total estimated cost of FY93	\$8.9 Million
	Total estimated savings over 5 years	\$46.9 Million
	Average annual savings	\$7.6 - \$9.38 Million
	Approximate pay-back period of investment	1 year

Task Force: Technology Enhancement Task Force

Opportunity: Improvements in data processing centers through common management and improved coordination of resources and personnel

Pros: 1) Cost savings without a cut in service
2) Increased standardization and sharing of resources

Cons: 1) Need a high degree of cooperation and high service approach to succeed

Baseline Costs		Savings from Common Management	Savings from Consolidation
FY92 GF (ISD)	\$6.03 FY93 GF (66% of ISD)	\$95,685	\$541,872
Other Funds (DOT)	\$3.84 FY93 Other State Funds	\$106,700	\$756,782
Federal Dollars(DES)	\$3.1 FY93 Federal (100% DES+34% ISD)	\$245,765	\$508,851
Total Funds	\$13.1	\$643,110	\$1,807,505

Minimum recommended level of action is adoption of common management in FY93 to plan towards phased consolidation of Enterprise data processing assets.

Task Force: Intergovernmental Relations

Opportunity: County Administrative Collaboration (30 Centers)

- Pros:
- 1) Efficiencies gained by more efficient use of personnel and technology to perform functions over larger areas (15% reduction for doubling of population)
 - 2) Greater purchasing power for supplies and better bargaining power for contracts

- Cons:
- 1) Seen as potential loss of access of service
 - 2) Requires popular vote under existing law

Savings:	<u>1993</u>	<u>1994</u>
	—	\$27 MM

Task Force: Intergovernmental Relations

Opportunity: Eliminate allowable growth increases created by SF2430 for Community Colleges

Pros: 1) Increases have not been funded as prescribed, but are considered in the projected \$300 million deficit
2) Increases are 217% over eight years
3) Does not effect other funding growth built into the formula

Cons: 1) Community colleges would not receive the funds planned under the new law

Savings:	<u>1993</u>	<u>1994</u>
	\$7.7 MM	\$14.2 MM

Task Force: Intergovernmental Relations

Opportunity: Create Statewide Assessment System

- Pros:
- 1) Better consistency of assessments statewide
 - 2) Brings all areas of the state up to the same levels for mapping, records, etc.
 - 3) Eliminates need for equalization orders by the State
 - 4) Keeps some local control through Boards of Review

- Cons:
- 1) Eliminates some local representation through the Conference Boards

Savings:	<u>1993</u>	<u>1994</u>
	—	\$2.8 MM

Task Force: Statewide Service Delivery

Opportunity: Close the mental health institutes in Clarinda and Mt. Pleasant

- Pros:
- 1) Reduce operating costs
 - 2) Facilities available for other uses, such as expanding correctional operations
 - 3) Additional funds may be realized by sale of land
 - 4) Moves services into community

- Cons:
- 1) Would transfer need for certain services to community level, thus requiring funding to assist counties/cities in providing those services
 - 2) Loss of jobs in communities where closed institutes are located

Savings:	<u>1993</u>	<u>1994</u>
	\$1 MM	\$1 MM

Task Force: Statewide Service Delivery

Opportunity: Eliminate funding provision for the Resource Enhancement &
Protection (REAP) fund

- Pros:
- 1) Eliminate standing appropriation
 - 2) Containment of expenses for maintenance of land purchased by State
 - 3) Funds reimbursed to counties for property tax on land purchased through Open Space fund

- Cons:
- 1) Reduces State's role in environmental and conservation efforts

Savings:	<u>1993</u>	<u>1994</u>
	\$30 MM	\$30 MM

Task Force: Statewide Service Delivery

Opportunity: Reduce the number of driver's license locations from 141 to 19

Pros: 1) Reduce cost
 2) Improved consistency of service
 3) Expanded office hours (longer weekday hours and Saturdays)

Cons: 1) Citizens will have to drive further, however, most services can be delivered by mail

Savings:	<u>1993</u>	<u>1994</u>
	\$9.5 MM	\$9.5 MM

Task Force: Public Financing

Opportunity: Comprehensive K-12 education finance reform (pupil/teacher ratio driven)

Pros: 1) Encourages greater capture of economies of scale
2) Encourages administrative consolidation
3) Allows for establishment of more effective Education Excellence Incentive Package

Cons: 1) Without a pupil/teacher ratio ceiling, may lead to overly large urban class sizes
2) Will increase pupil transportation costs

Savings:	<u>1993</u>	<u>1994</u>
	\$127.8 MM	\$178.0 MM

Task Force: Public Financing

Opportunity: Use provider funds to leverage federal Medicaid dollars

- Pros:
- 1) Reduces need for General Fund dollars
 - 2) Congress appears to be allowing the continuation of this funding method
 - 3) Practice likely to remain possible under federal guidelines

- Cons:
- 1) Some risk involved due to possible changes in federal guidelines
 - 2) Medical service providers may oppose
 - 3) Involves a cost to administer

Savings:	<u>1993</u>	<u>1994</u>
	\$10 MM	\$10 MM

Task Force: Public Financing

Opportunity: Adopt a mental health funding formula

- Pros:
- 1) Caps potential rapid buildup of obligations for General Fund
 - 2) Should be tied to reduced mandates and cost containment
 - 3) No loss in federal matching funds
 - 4) Counties are not receiving much state aid at present

- Cons:
- 1) County costs will be higher than would be the case without the formula
 - 2) Will simply shift costs unless state mandates are reduced

Savings:	<u>1993</u>	<u>1994</u>
	\$15 MM	\$35 MM

Task Force: Public Financing

Opportunity: Re-allocate \$50 million in motor vehicle use tax revenues to the General Fund

Pros: 1) Opportunity to address one-time GAAP deficit
2) Opportunity to build economic emergency fund
3) No loss of Federal highway aid under new highway bill

Cons: 1) Reduced funds for state highways
2) Reduced funds for city streets and county roads

Savings:	<u>1993</u>	<u>1994</u>
	\$50 MM	\$50 MM

Task Force: Privatization

Opportunity: Sale of State owned farm land and the DNR nursery

Pros: 1) Source of near term cash
2) Returns land to tax rolls
3) Reduce on-going land management cost

Cons: 1) Future expansion of State institutions will require expenditures to replace land sold

Savings:	<u>1993</u>	<u>1994</u>
	\$6.7 MM	\$0.1 MM

Task Force: Privatization

Opportunity: Youth Corrections Facility

- Pros:
- 1) Reduction of youths placed out-of-state at greater cost (per diem, transportation, education)
 - 2) Creation of 116 jobs in Clarinda
 - 3) Provision of 145 bed youth correction facility in-state

- Cons:
- 1) Proximity to state correctional facility

Savings:	<u>1993</u>	<u>1994</u>
	\$0.2 MM	\$0.2 MM

Task Force: Executive Branch Review

Opportunity: Improve State Budget Process

Major Elements: 1) Implement performance and program based budgeting
2) Return to biennial budgeting
3) Modify revenue estimating process and establish emergency reserve fund
4) Provide incentives to increase reversions

Pros: 1) Facilitate program and policy evaluation
2) Permit increased focus on long-range planning and organization development
3) Increase management accountability and reduce need for day-to-day oversight
4) Improve fiscal stability

Cons: 1) Requires increased coordination between the executive and the legislative branches of government

Savings:	<u>1993</u>	<u>1994</u>
	\$4.5 MM	\$4.5 MM

Task Force: Executive Branch Review

Opportunity: Restructure Employee Benefits

Major Elements: 1) Modify health insurance programs
2) Eliminate meal reimbursement for non-overnight travel
3) Modify sick leave policy
4) Worker's compensation cost containment

Pros: 1) Make state employee benefits more comparable to private sector employee benefits
2) Reduce negative image of state government

Cons: 1) Will require approval of employee unions

Savings:	<u>1993</u>	<u>1994</u>
	\$7.4 MM	\$7.4 MM

Task Force: Executive Branch Review

Opportunity: Restructure Organization

Major Elements: 1) Flatten the organization structure
2) Simplify the job classification system
3) Initiate management incentive program

Pros: 1) Reduce levels of management within state government and bring decision making closer to agency constituents
2) Provide better customer service
3) Provide incentives and opportunities for technical and professional staff to improve job skills, knowledge and cross-training experience and for career advancement
4) Provide linkage between manager performance and compensation

Cons: 1) May cause short-term disruption of government service
2) May require approval of employee unions in some instances

Savings:	<u>1993</u>	<u>1994</u>
	\$7.5 MM	\$7.5 MM

Task Force: Executive Branch

Opportunity: Program eliminations

<u>Program</u>	<u>General Fund</u>	<u>Other Funds</u>
Farmers mediation service	100,000	
Farmers legal service	100,000	
Cognitive and psychological testing	46,250	
Jailer training program	22,700	
Domestic violence/sexual assault grant program	42,570	
Brain and spinal cord injury registry	11,000	
Capitol nurse	50,000	
Muscular dystrophy and related genetic disease program	115,000	
Community nutrition program	42,581	
Funding for care review committee coordinators	120,000	
State grade crossing safety fund (RUFT)		700,000
Iowa railway finance authority		4,000
Local development portion of the RISE program		7,000,000
RUTF portion of Living Roadway Program		250,000
Small business innovation research program	80,000	
Funding for the peace institute	<u>96,750</u>	<u> </u>
PAGE TOTAL	826,851	7,954,000

Task Force: Executive Branch

Opportunity: Program eliminations (continued)

<u>Program</u>	<u>General Fund</u>	<u>Other Funds</u>
International network on trade	362,812	
RC2000 program	1,548,000	
Funding for councils of government	290,250	
Funding of labor-management councils	195,745	
Funding for RED centers and RCCs	743,040	
Business and rural incubators program	77,400	
Textbooks nonpublic	580,500	
Transportation nonpublic (consider making needs based)	6,000,000	
Vocational agriculture youth organization	37,732	
Instructional support (growth)	2,500,000	
Arts council-AIS basic education	92,121	
Arts council-artist endowment	170,000	
Payment for foster group and shelter care for youth age 18 and older (move to independent living)	3,289,000	139,000
Limit voluntary placement of children in foster care to no more than 30 days (instead provide supportive in- home services)	473,000	155,000 138,000
PAGE TOTAL	16,359,600	432,000

Task Force: Executive Branch

Opportunity: Program eliminations (continued)

<u>Program</u>	<u>General Fund</u>	<u>Other Funds</u>
Serve additional children in needs based foster care rather than group care	618,000	
Governors planning council for developmental disabilities, mental health and mental retardation commission and prevention of disabilities board (assign duties to Human Services Council)	50,000	
Gamblers assistance program (fund through user fee)	387,000	
College aid repayment programs (phase out over 4 years)	500,000	
Osteopathic medicine and health sciences assistance programs (phase out over 4 years)	800,000	
Subsidy of grain warehouse inspections (fund through inspection fees)	971,722	150,000
Sheep promotion bureau	76,064	
Apiary inspection bureau	118,567	
Soil conservation revolving loan fund	286,167	
PAGE TOTAL	<u>3,807,520</u>	<u>150,000</u>
Subtotal Program Eliminations	20,993,971	8,536,000

Task Force: Executive Branch

Opportunity: Program reductions

<u>Program</u>	<u>General Fund</u>	<u>Other Funds</u>
Well elder program staff reduction	50,000	
Health data commission (fund through user fees)	200,000	
Enrichment grants	200,000	
Child development (no growth, plus reversion from FY 1991)	1,144,000	
IFA housing programs	<u>1,000,000</u>	
PAGE TOTAL	2,594,000	

Task Force: Executive Branch

Opportunity: Program deferrals

<u>Program</u>	<u>General Fund</u>	<u>Other Funds</u>
National marketing and tourism advertising	1,000,000	
Recreational trails program		1,000,000
Sister state program	96,750	
Youth corps program	109,836	
Welcome center program	338,000	
Natural resources--landfill alternative grants		2,800,000
Water resources--county grants for water testing and well plugging		1,080,000
PAGE TOTAL	<u>1,544,586</u>	<u>4,880,000</u>
GRAND TOTAL program eliminations, reductions and deferrals	<u>25,132,557</u>	<u>13,416,000</u>



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GOVERNMENT SPENDING REFORM

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